FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Ulster tense after violence

Tension and a mood of gloom returned to Ulster yesterday in the wake of the week-end violence which left three dead. The Provos last night admitted taking part in the riots in breach of the ceasefire because of "collusion" between the army and the UVF.

Reliable reports suggest that the pre - Convention talks between the Loyalist UUUC and the Catholic SDLP are dangerously close to deadlock and that the August 18 deadline for the new session of the assembly will have to be postponed. The two sides are, however, still scheduled to meet again later this week.

And whilst the week-end's events are not seen as part of a concerted plan, the Army is concerned about the "long, hot summer" effects on restless youths of both communities. Back Page. Editorial Comment Page 12.

More rioting in Portugal

Violence again erupted in northern Portugal yesterday, where 18 hours of rioting left 43 people wounded. For the second day, the fiercest fighting was in Braga, where the Communist Party offices were burned down. Army units continued to meet to decide whether to support moderate officers who have objected to the new government. Page 5

Viking held up

Launching of the two U.S. Viking spacecraft in an effort to find if life exists on Mars was postponed for at least 24 hours because of a technical problem two hours before lift-off. Meanwhile, the brightest X-ray star source, discovered by the British scientific satellite Ariel 5 last week, continued to grow rapidly in intensity and might be affecting shortwave communpications.

Clearing up

The fog which apparently shrouds most people's understanding of BBC TV's weather forecasts is to be lifted. From August 16, the symbols at present used, which generate a large postbag of "what do they mean?" letters, will be replaced. Their successors will be little yellow suns, blue teardrops of rain and baby plastic clouds. Page 8

Nixon to talk

Richard Nixon is reported to have agreed to talk frankly about Watergate as part of a series of four 90-minute TV interviews with David Frost for a fee believed to be £500,000. The films will be shown after the U.S. Presidential election next year. Page 7

MP loses again

MP John Stonehouse yesterday lost another appeal for bail when a London magistrate decided there was "still a possibility" of him absconding. The decision came after the MP complained of being stripped of his rights and about censorship in Brixton prison.

Fire talks

A Home Office inquiry may be proposed following talks yesterday between officials and fire service employers' and union leaders on the firemen's industrial action. London is so far the worst-hit area. Page 9

People and places

The family of Samuel Bronfman, 21, kidnapped heir to the $1.7bn. Seagram liquor fortune, said last night they would pay the undisclosed ransom demand. Mr. Bronfman disappeared on Friday night in the wealthy Yorktown Heights suburb of New York.

The U.S. last night carried out its threat to veto the applications of North and South Vietnam for membership of the U.N., ostensibly in retaliation for the Security Council's refusal to consider South Korea's candidacy.

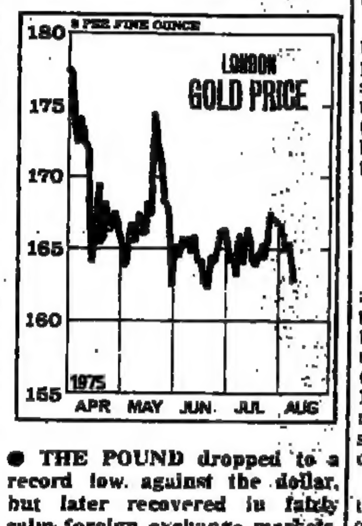
BUSINESS

Firm start to new Account

● EQUITIES began the new Account firmly, with leading industrials making headway after an uncertain start. Large underwriting losses from Commercial Union prompted reaction in composite insurance shares and a 4.8 per cent. fall to 90.45 in the FT-Actuaries index for the sub-section. The FT 30-share index put on 4.5 to 283.3.

● GILTS failed to keep up last Friday's momentum, sentiment being affected by rising interest rates. Falls were limited to ¼, leaving the Government Securities index down 0.21 at 59.52.

● GOLD lost $1.30 to $162¾.



● THE POUND dropped to a record low against the dollar, but later recovered in fairly calm foreign exchange markets, ending with a fall of only 20 points at $2.1025. Its trade-weighted depreciation narrowed to 27.8 per cent. (27.9) with the dollar's reduced to 2.33 per cent. (2.49). Back Page

● WALL STREET closed 6.02 up at 823.76.

● U.S. BANKS, including Chase Manhattan and Morgan Guaranty, have raised prime lending rates to 7¾ per cent. from 7½ per cent.

● FALLING figures for industrial production, retail and credit sales for June provide further evidence of deepening U.K. recession. Back Page

● AUSTRALIA'S Defence Minister has criticised Scott Lithgow, the Clyde shipbuilder for delays in sumbarines built there for the Australian Navy. Britain may, however, be considered for arms contracts. Page 4

● TEXACO have made another oil and gas discovery in the North Sea, south of Brent Field. Back Page

● BRITISH LEYLAND managing director, Mr. John Barber, has refused to resign from the new State-controlled company. The new shares, each worth 10 of the old equity, ended their first day on the market at 27½p. Back Page

Rescue bid for NVT factory

● NEW RESCUE bid for the NVT motorcycle factory at Wolverhampton is planned, in which local authorities might buy the factory from the Receiver, which would then become a "community co-operative." Back Page.

● EEC is expected to impose import curbs on South Korean textiles following breakdown of voluntary textile agreement.

● LONDON'S dockland redevelopment will not be provided with special financial aid by the Government. Page 7

COMPANIES

● ELLIS & EVERARD pre-tax profits fell from £1.1m. to £0.6m. on turnover up from £22.23m. to £24.85m. for year ended April 30. Page 14

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

Ultramar	190	+ 10
Charterhall	57½	+ 4

RISES

Acrow 'A'	58	+ 4
BSR	62	+ 4
Babcock & Wilcox	92	+ 7
Bowater	xd138	+ 4½
Bowring (C. T.)	57	+ 4
Churchbury Ests.	135	+ 5
Courtaulds	114	+ 4
Dunlop	43	+ 3
ICI	246	+ 5
Lampa Secs.	51	+ 5
Land Secs.	141	+ 6
Lyon & Lyon	20	+ 4
Lyons (J.) 'A'	126	+ 6
NEPC	81	+ 6
Nat. Westminster	197	+ 7
Reed International	190	+ 5
Scotia Invs.	16	+ 3½
BP	498	+ 15
Shell Transport	312	+ 10

FALLS

Comm. Union	131	− 13
Costain (R.)	153	− 7
Dalgety	171	− 8
Ellis & Everard	97	− 12
Gen. Accident	131	− 9
Hoffnung (S.)	86	− 4
Laing (J.) 'A'	86	− 5
Martonair	124	− 7
Royal Ins.	248	− 12
Stigwood (R.)	26	− 4
Sun Alliance	357	− 8
Wimpey (Geo.)	86	− 4
Cons. Gold Fields	230	− 7
Loraine	335	− 20
Palabora	970	− 5
Pancontinental	530	− 15
Pot. Plat.	242	− 6
Sabina Inds.	75	− 3
Western Areas	540	− 20

Pressure on prices from weak pound and commodity rises

BY MICHAEL BLANDEN

U.K. retail prices face further upward pressure from a renewed rise in the food industry's raw materials costs and the declining value of the pound. This is shown by the latest wholesale price figures for July produced by the Department of Industry.

The increase in manufacturers' output prices has continued at a relatively low level. As this works through to the retail level, it should help bring down the recent record rate of increase in the cost of living.

However, the large wage rises already in the pipeline before the Government's counter-inflation moves will continue to affect prices for some time to come.

There are signs now that this pressure could be exacerbated by further rises in the cost of manufacturers' inputs of raw materials and fuel on top of domestically generated inflation.

The figures underline the inflationary impact on domestic prices of the weakness of sterling, and with some commodity prices rising again after their recent declines, there could be new pressures on manufacturers over the next few months.

Significant

At the output level, price rises are still running at a lower rate than in earlier months. Overall, the index for home sales of all manufactured products in July (1970=100), at 191.5, was some 1⅓ per cent. above the previous month's figure, itself revised slightly upwards, and 24.8 per cent. higher than a year earlier.

The July increase is bigger than the rise of less than 1 per cent. seen in the previous month, but still below the levels in earlier periods, particularly the jump in May which followed the Budget tax increases.

The largest rises in July were seen in the output prices of manufactured goods other than food, drink and tobacco, where the index was 1¼ per cent. up

WHOLESALE PRICES
1970=100

		Output prices (home sales)	Material prices
1972		114.8	109.2
1973		123.2	144.5
1974		152.0	215.3
1974	3rd	156.1	212.9
	4th	164.9	222.1
1975	1st	176.0	220.9
	2nd (p)	186.3	225.5
1975	March	179.2	221.9
	April	182.5	222.9
	May	187.3	226.2
	June (p)	189.0	227.5
	July (p)	191.5	232.3

(p) Provisional

at 196.3. Over the past three months, this index has shown an increase of 3¼ per cent.

The most significant price rises in July were in the car industry, but the Department points out that in common with most other sectors of industry, the latest rises were smaller than in the previous round of price increases.

Products of the food manufacturing industries continue to show only small price increases with a rise of ½ per cent. to 200 in the index and an increase of only 2½ per cent. in the latest three months.

These industries, however, have suffered a sharp increase in the cost of their raw materials last month which may work through to their output prices.

In contrast with the recent trend, the index for materials and fuel bought by the food manufacturers jumped by 3 per cent. to 193.3.

This was mainly due to higher prices for home-produced and imported cereals—where Russian grain purchases have contributed to higher world prices—and for imported oils, coffee and cocoa.

The drop in the value of the pound against the dollar has also hit import prices, particularly in relation to the cost of crude oil.

Imports

It was largely responsible for a further rise in this item which in turn was the most significant factor in a 2 per cent. increase to 258.6 in the index of basic materials bought by manufacturing industry other than food, drink and tobacco.

Price rises for platinum, copper and rubber were partly offset by lower prices for imported woodpulp and timber.

For the second successive month, there were stable prices for coal, gas and electricity which helped to limit the overall increase in the index for materials and fuel purchased by all manufacturing industry to 2 per cent. in July.

Industrial output and retail sales Back Page

Licensing plan to curb private medical sector

BY ARTHUR SMITH

BATTLE LINES are being drawn up over the Government's proposals to phase out pay beds from the National Health Service.

In a consultative document published yesterday, Mrs. Barbara Castle, the Social Services Secretary, outlined proposals to extend licensing in order to control the growth of the private sector. The number of beds for acute patients would not be allowed to exceed the total of 4,000 private sector beds plus the 4,900 NHS pay beds in use last March.

Draconian

The aim is both to set minimum standards for private treatment and "to ensure that development of the private sector does not operate to the detriment of the patients in the NHS."

However, the British Medical Association was quick to point out that its annual meeting had overwhelmingly declared that the public had a fundamental right to private medical care. It would "resist by all means" the closure of private facilities in NHS hospitals and would not accept any limit on the development of private medicine outside the NHS.

The BMA said doctors were likely to react strongly to the proposals. The declaration of resistance to closure of private facilities could be interpreted as involving constitutional protest and public campaign. Even the possibility of some form of industrial action was not ruled out.

Dr. Derek Stevenson, the BMA secretary, said the proposals would have to be considered carefully. "At first sight these are the most draconian measures which would seem to imply that the Government is hell-bent on abolishing private practice altogether."

Mrs. Castle announced that legislation would be introduced as soon as Parliamentary time was available to phase out pay beds from all NHS hospitals.

The Government intended to set up a licensing system to control the total volume of private provision for medical care. The aim was to ensure that it did not exceed the level which existed in March, 1974.

Granting of a licence would be subject to national, regional and local considerations. Mrs. Castle is considering setting up local inquiries, similar to planning inquiries, to hear relevant evidence.

But the Department's proposals, which are open for comment from both the medical and lay public up to the end of September, do make some concessions to the private sector.

Blood transfusion services will still be available at cost and the possibility that expensive, specialised NHS equipment—such as radiotherapy facilities—will be offered at cost is also under examination.

Pointing to "the international standing" of British medicine Mrs. Castle said overseas patients in NHS hospitals could continue to use highly specialised facilities not readily available in their own countries. But this would happen only where they could do so without detriment to NHS patients. They would have to pay the full economic cost of the treatment and services received.

No date for the eventual removal of pay beds has been given. Mrs. Castle promised full consultation and legislation is expected in the next session of Parliament.

British United Provident Association, which has a large share of the private health insurance market, described the proposals as "practicable and reasonably fair."

Because of the under-utilisation of NHS pay beds, BUPA estimated that only 2,000 new private beds would be needed to replace the 4,900 in the public sector. In total, the NHS provides more than 400,000 beds.

Commercial Union profits cut by £25m. underwriting loss

BY STEWART FLEMING

A SHARP DECLINE in the half-yearly profits of Commercial Union Assurance as a result of a £25m. loss on its insurance underwriting activities provoked widespread falls in the share prices of other leading insurance companies on the Stock Exchange yesterday.

CU's figures, showing profits before tax down £10m. to £14.4m., but with underwriting losses up from £2.7m. to £25m., were far worse than some stockbrokers had been predicting.

Moreover, the scale of the company's underwriting losses seems to have taken even its top executives by surprise. "We expect from time to time that profits will dip," said Mr. Gordon Dunlop, the chief executive, "but in this half-year we have had a bath. It surprised us in some respects."

Asked about the implications of the half-yearly statement for the full year's results, Mr. Dunlop said: "It is difficult to foresee what the out-turn for 1975 is going to be but there are grounds for expecting some improvement in 1976. He did not expect the company's insurance underwriting to be back in the black in the second half of 1975 "but I do not think we will lose another $40m. in the U.S."

It is principally this U.S. loss in the first six months of the year which accounts for the decline in CU's profits. Another important factor identified by Mr. Dunlop was further heavy underwriting losses on its Australian operations where in the first six months of 1975 it lost £10m. This compares with a loss of £10m. in the whole of 1974 and of £8.6m. in 1973.

Such losses inevitably lead to doubts about CU's continued involvement in Australia. The group has considered such a policy but decided that the cost of doing so would be greater than continuing the business on a lower scale.

Mr. Dunlop pointed out that in the last five years CU had reduced its Australian staff by half, but added: "We have now come to the point when we shall have to do something more drastic."

In the next few weeks CU expects the Australian Government to announce its policy on the nationalisation of workmens' compensation insurance, one of the lines of insurance business responsible for its losses in the country.

While accepting that in general terms the CU management must bear responsibility for the underwriting losses, Mr. Dunlop also claimed that regulatory authorities in several territories, including the U.S. and Australia, were not allowing through the price increases which insurers needed to keep pace with inflation.

CU is maintaining its interim dividend at 3.885p a share and by the close the company's share price was 13p down on the day at 131p. The shares of General Accident Fire and Life Assurance closed 9p down at 131p (the company's interim statement is due to-morrow), and Royal Insurance closed at 248p down 12p.

Results Page 15
Lex Back Page

Grain sales delay by U.S.

BY ADRIAN DICKS

WASHINGTON, August 11.

THE U.S. to-day published reduced, though still very large, forecasts of this year's harvests, and asked the Soviet Union and the major grain exporters to refrain from concluding any further sales until the full size of the principal crops is known for certain.

The forecasts show a probable corn (maize) crop of 5.85bn. bushels — a record, though 196m. bushels lower than the Department of Agriculture's first forecast a month ago.

Giving the season's first estimate of the soya bean crop, the USDA forecast a bumper harvest of 1.456bn. bushels. This is less than 1973's record 1.547bn. bushels but more than the 1.233bn. bushels produced in 1974.

The final wheat harvest forecast is 2.141bn. bushels, down slightly from last month's forecast, but still nearly 20 per cent. above last year.

At the same time as it gave these new assessments of the U.S. harvest outlook, the USDA also revealed a fresh, and further reduced, forecast of the Soviet harvest. Following an observation tour by a party of U.S. crop experts last week to major Soviet grain-growing regions, total Soviet grain production is now assessed at only 180m. tons—down a further 5m. tons from the USDA's previous assessment last month.

As a result, Mr. Earl Butz, the Agriculture secretary, predicted to-day, the Russians are expected to want to buy 20m.-25m. tons of grain in all from foreign sources. To this must be added an unknown quantity required by East European countries to replace at least some of the grain they normally purchase from the USSR.

Mr. Butz emphasised his belief that the U.S. could easily manage to supply much of the Russians' extra needs, as well as meet those of other major customers. He pointed out that the Soviet Union is now America's largest grain customer and said he hoped that discussions between the Russians and the U.S. exporters would continue—with a view to further sales when "we have a better fix on the harvest."

At a political level, the Administration's decision to postpone further sales for an unspecified length of time should serve to cool fears of a new round of food price inflation, while not denying farmers the market they will eventually need for bumper crops

£ in New York

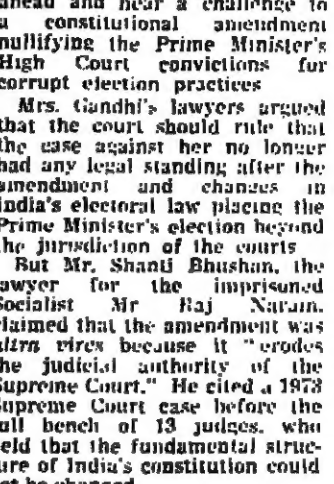
—	Aug. 11	Previous
Spot	$2.0970-0980	$2.1015-1025
1 month	0.70-0.74 dis	0.80-0.75 dis
3 months	2.16-2.11 dis	2.37-2.32 dis
12 months	7.90-7.30 dis	8.30-8.20 dis

JUDGES TO HEAR CHALLENGE

Major rebuff by court for Mrs. Gandhi

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

FIVE JUSTICES of India's Supreme Court yesterday issued a major rebuff to Mrs. Indira Gandhi, the country's Prime Minister. They agreed to go ahead and hear a challenge to a constitutional amendment nullifying the Prime Minister's High Court convictions for corrupt election practices.



Mrs. Gandhi: facing a new challenge.

Mrs. Gandhi's lawyers argued that the court should rule that the case against her no longer had any legal standing after the amendment and changes in India's electoral law placing the Prime Minister's election beyond the jurisdiction of the courts.

But Mr. Shanti Bhushan, the lawyer for the imprisoned Socialist Mr. Raj Narain, claimed that the amendment was ultra vires because it "erodes the judicial authority of the Supreme Court." He cited a 1973 Supreme Court case before the full bench of 13 judges, who held that the fundamental structure of India's constitution could not be changed.

The Supreme Court justices, with Chief Justice A. N. Ray presiding, decided to hear the formal challenge to the legislation and set August 25 as the date for the case. Foreign newsmen were prevented from attending yesterday's hearing but the 200 policemen round the court did not stop lawyers from briefing the journalists after the session.

Mrs. Ganhi was convicted by the Allahabad High Court of corrupt election practices on two counts on June 12. Two weeks later she declared a State of Eemergency, arrested thousands of opponents and imposed strict censorship, especially of newspapers and including Parliamentary and court reporting.

Last week, Parliament urgently passed the amendment nullifying the convictions. The Upper House of Parliament has since passed another amendment making the Prime Minister and President immune from any criminal court action for life and from any civil action while in power.

Most experts think it is unlikely that in her present mood Mrs. Gandhi will allow herself to be defeated by recalcitrant judges. In the past it has been quite a frequent argument of members of Mrs. Gandhi's Ruling Congress Party that the judges are blinkered and restricted in their social outlook and that their powers should be limited.

But the decision of the Supreme Court bench could play a big part in reshaping Mrs. Gandhi's thinking about the series of new constitutional amendments which she and her advisers are now planning.

Opposition "has radio" Page 6

FEATURES

For latest Share Index 'phone 01-246 8026

LOMBARD

The awkwardness of unemployment

BY JOE ROGALY

If you are ever out of work you will probably register as unemployed. You will not *certainly* do so; many married women do not, and many professional, managerial, and higher-salaried executive workers leave the Department of Employment's Professional and Executive Register right outside their calculations. If you do register as unemployed this will no doubt be for one or both of two very good reasons: you want or need the money, and, perhaps, you want another job.

Anyone who casts the above paragraph aside to exclaim "It's obvious. Why does he tell us what we already know?" has clearly not been paying full attention to the midsummer controversy about the true extent of unemployment in Britain. (The argument will no doubt flare up again on Thursday week when the next set of unemployment figures is due to be published.)

For the apparently obvious proposition that people register as unemployed because they need to, or think they need to, has apparently been lost sight of in the economists' debate about the best way to run the economy. The essence of the matter is very simple: some economists, and some politicians, believe that it is a mistake to reflate the economy "too soon." This is apparently more likely to be brought on by newspaper headlines that speak of One Million Unemployed than by less alarming headlines.

C. Gordon Tether is on holiday.

Multiplied

The argument has now spread, with the result that every batch of unemployment statistics is multiplied into mini-batches, each according to the taste of he whose hand was on the pocket calculator at the time. Last month, for example, the total number of registered unemployed in the U.K., according to the Department of Employment, was 1,037,869. Excluding school-leavers and students over 18 it was 927,936; seasonally adjusted this became 976,500

Sticking with the Department of Employment, and taking its table Number 4, you then find that if students over 18, those out of work for four weeks or less, and pensioners who have put themselves on the register are excluded (while for some reason school-leavers are left in) then the not-adjusted figure becomes 630,082. My colleague Samuel Brittan, whose approach to this subject is the most sensible and humane of those who follow his point of view, subtracts another 100,000 for those believed to be "poor prospects" and "unenthusiastic" about work. Sir Keith Joseph's Centre for Policy Studies, which is a political organisation, leaves students out of its summary table but deducts an assumed 250,000 "unsuited to regular full-time work," almost as many again for "people between jobs" and 50,000 pensioners, coming up with 541,900.

If the purpose of all this is to influence the way in which unemployment figures influence macro-economic policy, then perhaps all the huffing and puffing is worth it, at least for those who believe that Governments have the power to guide the long-term direction of the British economy. If, on the other hand, the purpose is to find out how many people are out of work so that something can be done for those who deserve help, then every one of the figures has its own special significance.

The "unemployables" are not merely a statistic. Some are perhaps genuinely work-shy, and should have the stern face of the social welfare system turned towards them; others need sympathetic treatment. The students may be saying in their own way that grants are too low (or the regulations for registration too lax); the correct reply just might be the provision of holiday work on the lines of the community-service work that two Conservative MPs have suggested—and a third has attacked—for school leavers. The "between jobs" may not be able to find jobs for a long time, and the regional statistics show how much truer this is the further north you go. And so on.

Personal

Everyone is on the register for a personal reason. This fact will not go away just because a gaggle of economists try to avoid headlines they believe might be damaging. It may be true that an attempt to run the economy in such a way that unemployment is kept down to, say, 400,000 (global figure) results in labour shortages and overheating—but even if it is, the "level of unemployment" that may be the result of a sterner policy still means a level of unemployed persons each of whom has a problem of his or her own that must be solved.

YACHTING BY ALEC BEILBY

Kialoa first to round Fastnet

PLYMOUTH, August 11.

JIM KILROY'S 79-foot ketch Kialoa, scratch yacht on handicap in the Fastnet Race, rounded the Fastnet rock early this afternoon almost 50 hours after the start from Cowes, covering the 360 miles at an average speed of seven knots—no mean achievement in the light patches of weather that have affected the race so far.

She now has 29 hours to sail from the Fastnet back to the finish at Plymouth and must average 8.5 knots if she is to beat the course record established by the 12 metre yacht American Eagle four years ago. She is certainly more than capable of an average speed such as this and rounded the Fastnet in a fresh 20-knot South-Westerly wind, which is ideal to help her along the 170-mile South-Easterly leg to the Scillies and the final Easterly run home.

Reaching across the Western Approaches she could be making 15 knots or more and to-morrow evening, as the record deadline of 7.41 p.m. approaches all eyes will be on the Plymouth breakwater that marks the finish. For a while, Kialoa will steal the limelight from the Admiral's Cup yachts.

Yesterday, as she passed the Lizard and Land's End, Kialoa was well within sight of those astern, Eric Tabarly's Pen Duick VI and Baron Edmund de Rothschild's Gitana VI. But by to-day, the Americans had left the French well astern and were estimated to be more than two hours ahead at the Fastnet. Kialoa is too large to compete in the American Admiral's Cup.

Reports from the Atlantic, relayed from HMS Achilles, give indications that the three British Admiral's Cup yachts, Noryema, Battleery and the smaller Yeoman XX, are holding their own and giving little or nothing away of the 47 points lead that they held over the Americans at the start of the race.

While Noryema and Battleery seem to be keeping close to the Rhumb Line the direct course between the Seven Stones, off Land's End, and the Fastnet—many other yachts appear to have fallen off to the East. This is normally a mistake in the westerly weather pattern that has established itself.

This afternoon, with the wind just South of West they are still just safe but if it should veer to the West as forecast they will be in trouble and could let those on the more direct line to the West and windward of them slip past. This would suit the British crews well.

Although there have been times of near calm during the race, the winds have been stronger than had been predicted at Cowes before the start and already one Italian Admiral's Cup team yacht, Vihuela, has retired to Plymouth.

While the leaders of the Admiral's Cup fleet are expected to round the Fastnet later this evening and some positive points calculations may be possible at this stage of the race, Plymouth is bracing itself for the invasion of 2,500 yachtsmen.

Later, with the wind shifting round the compass to the South-East and dropping to 10 knots, the Australians aboard Bumblebee, who had surely gambled a little on the easterly course, led the Admiral's Cup fleet round the Fastnet Rock while Britain's Battleery—the most westerly of the British boats—was running free for the rock but there were too few other yachts that had rounded to enable those ashore to calculate any overall points at this stage.

RACING BY DOMINIC WIGAN

Fast ground suits River Bloom

WITH Scattered Scarlet, Johnny Turner and Vibriato all having been withdrawn at the final declaration stage only four will line up for this afternoon's Seaton Delaval Stakes (4.0) at Newcastle. Nevertheless, the quartet that remains is made up of African Winner, Amun'ra, River Bloom and Sweet Nightingale, so it seems probable that racegoers will see an exciting race.

My idea of the probable winner is River Bloom who accounted for all except the extremely fast Scattered Scarlet in the Black Duck Stakes at York a month ago. River Bloom, a brown colt by Forlorn River out of Gold, kept going strongly inside the final two furlongs. Although never appearing likely to master Mick Easterby's juvenile, who was completing a nap hand, he always had him at full stretch.

A comfortable winner from Lord Helpus at York in May, River Bloom showed that he can act on the prevailing fast ground when finishing a close third behind Rundontwalk in Thirsk's Kilvinton Stakes at the end of that month. This return to the minimum trip will be to his advantage. I expect to see him followed home by the progressive Amun'ra, bidding for a hat-trick after Ayr and Ripon successes.

In the other juvenile event here, the Wansbeck Plate (4.30) it will probably pay punters to row in with Sonnenblick, of whom Gordon Richards has such a high opinion. This bay colt by Song out of the King's Bench mare Cutlass Bay, justified heavy support on his debut at Hamilton on July 18, by comfortably disposing of 11 rivals headed by the subsequent winner, Gemina.

NEWCASTLE
2.30—Dandy Scott
3.00—Devis
3.30—Drury Lane
4.00—River Bloom*
4.30—Sonnenblick***
5.00—King's Drum

FOLKESTONE
1.45—Magnolia Lad
2.15—Welsh Dragon
3.15—Asama
4.15—Radiant Morn

NOTTINGHAM
2.00—Long Love
2.30—Feux Rouges
3.00—Nagin
3.30—Zelotta
4.00—Casque Noire
4.30—Vespucci**

Lester Piggott, who has not been riding in Britain for several days, goes to Nottingham to-day, primarily to ride Mr. Ravi Tikkoo's consistent sprinter Nagin in the Nottingham Stewards Cup (3.0). This chestnut daughter of Pretense followed up a third-placed effort behind Super Kelly and Genesis at York last month by beating all except the smart Dazzling Light in a highly competitive race for Goodwood's Tapestry Handicap a fortnight ago.

With only 8st 6lb, Nagin appears to have been let in lightly and I expect to see her gain a well-deserved first success of the campaign by outpacing Cave Warrior, from whom she receives 1lb.

Two other possible winners for Britain's most sought-after jockey are Long Love in the opener, the Friar Tuck Selling Stakes (2.0) and Vespucci, who goes for the Midland Maiden Plate (4.30). The last-named, a three-year-old Prince John colt trained at Beckhampton by Jeremy Tree for the popular American owner, Mr. Jock Whitney, did particularly well to run Prima Bella to 1½ lengths at Warwick 12 days ago. It will come as a surprise if he fails to open his account.

Tony Murray can bring his tally for the season past the 50 mark at Folkestone, where Magnolia Lad, in the Lydd Nursery (1.45), and Asama, who goes for the Twiss Stakes 90 minutes later, appear his best prospects. Both appeal as good betting propositions.

WINE BY EDMUND PENNING-ROWSELL

The flow at the auctions

IT IS A fair guess that in the 1974-75 wine auction season just ended more wine flowed metaphorically through the London salerooms than ever before. Some of course was dammed by failing to reach the reserve prices, but the great majority was sold. Christie's sold the great majority of all offered.

Certainly there was nothing like the 36,000-case Bass-Charrington Vintners auction of July 1974, but during the recent season Christie's conducted four large-scale disposal sales, beginning with a second less publicised, less successful Bass-Charrington sale in September and ending with the Rothschild sale in June, when the proprietors of Lafite and Mouton unusually joined hands to by-pass normal trade channels and offered their wines in London at ex-cellar prices.

Over £1½m.

This Rothschild sale alone realised about £430,000, and altogether these four big sales—the others consisted of the stock of the London Wine Company and the surplus stock of Laurence Hayward and its associated retail firm, Layton—must have contributed a substantial proportion of Christie's net London sale turnover of £1,574,000; about £70,000 down on the previous year's figures that were swollen by the Bass-Charrington total that exceeded £750,000; but £450,000 higher than in 1972-73. Sotheby's who experienced a drop in 1973-74 rose by nearly 50 per cent. to £746,000. Both auctioneers also held successful sales overseas: Christies in Geneva, Sotheby's in Zurich, Amsterdam and South Africa.

In addition two other auctioneers have entered the wine field in the past year. Phillips began their series in October and Bonhams started in February, and their net totals of wines sold were £141,000 and £99,000 respectively. Both the two main firms increased the number of their sales and altogether at least 66 wine sales were held in London between the end of September and last month.

This and a total net turnover exceeding £2½m. sound astonishing for a country that consumes no more than nine bottles of wine per head a year—and precious little of that which fills the auctioneers' catalogues—but of course the auctioneers do not depend on domestic consumers. Some of the successful bids, particularly for the rarer, dearer items, have come from American and Continental buyers, encouraged at least in recent months by the steady fall in the value of sterling; and about two-thirds of the wine in the Rothschild sale left the cellars in Pauillac for destinations outside this country.

On the other hand, since the British wine trade has been in no position to increase its vintage wine stocks, it has been the private buyers, individually or in groups, that have been bidding vigorously at the generally well-attended sales. A certain number of restaurant proprietors too have seen the opportunities of picking up bargains at a time when their patrons have become increasingly price conscious when studying the wine list. At one Sotheby sale in the spring a distinguished Paris restaurant bought several hundred dozen classed-growth clarets at a fraction of the price they would have to pay in France.

Broadly, it has been a market more favourable to buyers than to sellers, except for mature vintage clarets of celebrated vintages and for rarities, most of which, as already mentioned, have mostly fallen to foreign bidders. Nevertheless, the ease with which considerable quantities of what can be categorised as fine wines—chiefly claret and vintage port—have been disposed of to private buyers suggests that the current cries of economic distress have not entirely penetrated the saleroom. So far there appears to be no lack of money to acquire attractive parcels of wine, much of which cannot suitably be drunk for years to come.

Fortunately, of course, the speculation prices of leading clarets that were so prominent two years ago have gone. The '61 first-growths no longer make between £300 and £400 a dozen and the vintage ports of the sixties are back to more realistic prices. Yet at the Rothschild sale both Lafite '45 and Mouton '45 made £600 a case, compared with previous records of £400 apiece; and £250-£290 for the two '61s and £105-£110 for the '70s in three-case lots were well above current prices.

However, even now first-growths are beyond the reach of most wine-buyers, and of more interest is the level of the other classed-growth clarets. They have not, it should be noted, fallen heavily. The '61s of repute appear seldom in the saleroom, so particular items may meet competition, resulting in high prices. They are perhaps 25 per cent. lower than a year ago, and generally now cost £48-£72 a dozen. The '66s which were making around £45-£55 early last year are now more likely to be found in the £30-£40 bracket, while the plentiful '70s often forced by speculation up to £48 and more a dozen can now usually be had for between £24 and £30 a case.

Vintage port is probably a better guide to the state of the domestic market than classed-growth claret, as few foreigners except a few American amateurs are interested in "the Englishman's wine."

The rarities continue to attract good prices. In June Cockburn '35 made £165 a dozen, equal to the record price, while Taylor '45 reached £160, only £10 short of its 1973 top. It is the younger vintages that have most felt the after-effects of the investment boom. Prices are now about one-third lower than at their peak. The drinkable '60s fetch about £36 a case, while the esteemed '63s have been knocked down for the same or even less. The '66s make about £30 a dozen, the '70s nearer £24. Vintage ports have been among the best bargains in the saleroom recently.

There are always bargains in burgundy and German wines so long as one knows what one is buying. It is notable, however, that the one Burgundy estate that ranked in the investment market with leading clarets, the Domaine de La Romanée Conti, has been fetching much lower prices. Romanée Conti '69 went from a 1974 peak of £280 a dozen to £185 last month, Richebourg '69 from £145 to £72.

Rarities continued to do well, particularly 19th century claret of historic vintages. Two bottles of Lafite 1858 made £100, a single bottle of Latour 1864 reached £140 and a magnum of Lafite 1874 from the Rosebery sale made £82. But the highest price of all was £720 for a jeroboam of Mouton-Rothschild 1929. Among other wines a magnum of Croft 1863 went for £84, two bottles of Yquem '21 achieved a London auction record of £130, and a bottle of Tokay Essence 1811 brought £140. Napoleon brandy remained in demand with an 1811 going for £110.

Surpluses

For the coming season it is difficult to predict prospects. There are certainly large amounts of surplus fine wine both in trade and private sources waiting to be sold. The open question is whether there is still sufficient demand from private sources, at home and abroad, to absorb such wines at prices judged reasonable by the vendors. Certainly the trade is not in a buying mood.

However, one threat to prices has just been removed. The 10 per cent. commission to be charged to purchasers by Christies and Sotheby's this coming season will not apply to wine. This is a very sensible decision, for wine is a commodity that sooner or later must be consumed, and is in quite a different category from those items, auctioned in other rooms, that may irreverently be described as consumer durables.

TV Radio

† Indicates programme in black and white.

BBC 1

10.00 a.m. Wacky Races. 10.10 Bewitched. 10.35 Vision On. 1.00 p.m. Cwestiwn Arall. 1.30 Bagpuss. 1.45 News. 4.22 Regional News (except London). 4.25 Play School. 4.50 Tom's Midnight Garden by Philippa Pearce. 5.15 Brainchild. 5.40 Sir Prancelot. 5.45 News. 6.00 Nationwide (London only). 6.20 Ski School. †6.45 "Tarzan Escapes," starring Johnny Weissmuller and Maureen O'Sullivan. 8.10 Sutherland's Law. 9.00 News. 9.25 Telly Savalas. 10.10 Going Places. 10.40 Golf: Tony Jacklin v. Peter Oosterhuis. 11.30 News.

All Regions as BBC-1 except at the following times:—

Wales—5.15-5.40 p.m. Arch Noa. 6.00-6.20 Wales Today. 6.45-7.00 Newydd. 7.00-7.10 Bryn Williams yn Cofio'r Wladfa. 7.10-7.40 Y Chwiorydd. 7.40-8.10 Sykes. 10.10-10.40 Journey To The Far East. 11.30 News of Wales.

Scotland—6.00-6.20 p.m. Reporting Scotland. 10.10-10.40 The Rough With The Smooth. 11.30 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.20 Scene Around Six. 10.10-10.40 Call It A Day: Seymour Leslie looks back. 11.30 Northern Ireland News Headlines.

England—6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth). 10.10-10.40 North (from Leeds) Summer Interview; North West (from Manchester) The Time Of Their Lives; North East (from Newcastle) Bean's Boots—River Tees; Midlands (from Birmingham) Personal Account; West (from Bristol) The Very Private Secretary; South West (from Plymouth) Peninsula; South (from Southampton) Bars, Bolts and Padlocks; East (from Norwich) On Camera.

BBC 2

6.40 to 7.55 a.m. Open University. 11.00 Play School. 5.00 p.m. Open University. 7.30 Newsday. 7.50 Six From The Sixth. 8.15 The Time-Detectives. †9.00 Tuesday Cinema: "Metropolis," starring Alfred Abel. 11.05 News Extra. 11.25 Closedown. David Markham reads "Days Before a Journey," by C. Day Lewis.

LONDON

10.30 a.m. Wildlife Theatre. 10.55 Animated Classics. 11.40 Galloping Gourmet. 12.05 p.m. Elephant Boy. 12.30 Sally and Jake. 12.40 Rainbow. 1.00 First Report. 1.20 Lunchtime Today. 1.30 Regional Flavour. 2.00 Good Afternoon. 2.30 Gosling's Travels. 3.00 Marcus Welby, MD. 3.55 Quick On The Draw. 4.25 The Great Little Trains Of Wales. 4.50 Magpie. 5.20 Shang A Lang. 5.50 News From ITN. 6.00 Today. 6.40 Crossroads. 7.05 Here We Go Again. 7.35 Tuesday Mystery Movie: McMillan and Wife. 9.00 Goose With Pepper. 10.00 News. 10.30 The Final Solution—Auschwitz (part one). 12.05 a.m. It At First...

All ITV Regions as London except at the following times:—

ANGLIA
[illegible]

ATV MIDLANDS
[illegible]

BORDER
[illegible]

CHANNEL
[illegible]

GRAMPIAN
[illegible]

GRANADA
[illegible] Movie. †12.00 Douglas Fairbanks Presents.

HTV
1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 2.30 Bygones. †3.00 Danger Man. 4.25 [illegible]

SCOTTISH
[illegible]

SOUTHERN
[illegible]

TYNE TEES
[illegible]

ULSTER
[illegible]

WESTWARD
[illegible]

YORKSHIRE
[illegible]

RADIO 1 247m
(S) Stereophonic broadcast [illegible]

RADIO 2 1,500m and VHF
[illegible]

RADIO 3 464m, Stereo & VHF
†Medium Wave only [illegible]

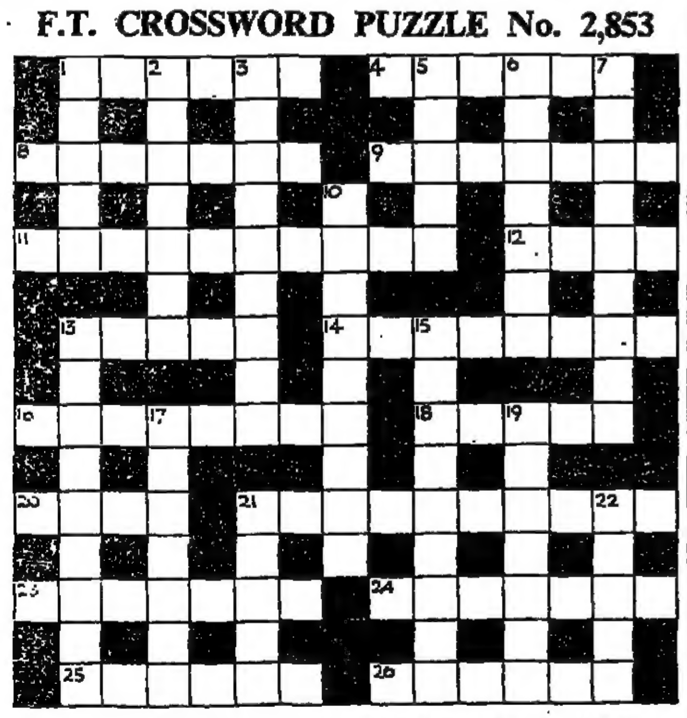
RADIO 4 434m, 330m, 285m and VHF
[illegible]

BBC Radio London 206m and 94.9 VHF
[illegible]

London Broadcasting 261m and 97.3 VHF
[illegible]

Capital Radio 194m and 95.8 VHF
[illegible]

F.T. CROSSWORD PUZZLE No. 2,853



ACROSS

1 Class gets by in Lancashire (6)
4 Glance at the rugby player in the street (6)
8 Difficulty for the English but no more for the French (7)
9 Oriental politician in match play (7)
11 Alliterative gatherer of condiments (5, 5)
12 A set of clothes to match (4)
13 "This —— of summer, the temple-haunting martlet" (Macbeth) (5)
14 Wake to the advantage of a sharp razor (4, 4)
16 Helps on the conflict among cars (8)
18 Take lodgings one way or the other (3, 2)
20 It's a reverse for an Italian city (4)
21 The hostess has a little talk with the girl (10)
23 Here is little room for executive power (7)
24 A refusal I got in Ghana (7)
25 Labelled a strange gadget (6)
26 An addition to the contributions in Holy Writ (6)

DOWN

1 West Country town sends a note to the Vatican (5)
2 "Lend me a heart —— with thankfulness" (Henry VI) (7)
3 Dejected fisherman shows signs of departure (4, 5)
5 Odd means to spoil (5)
6 I'm out of date—that's the difficulty (7)
7 This gives the captain a chance to call (7, 2)
10 Representative turns to spank some (9)
13 Generous handicap is a surprise to the virtuous (4, 5)
15 Trains Fleet Street in expenses (9)
17 Asked the snail to increase speed (7)
19 It is hard work to drag round Virginia (7)
21 Where Theseus found himself without a clue (5)
22 The county has problems, we hear (5)

SOLUTION TO PUZZLE No. 2,852

Harrogate Festival

Dominic Muldowney quartet

by JOHN WARRACK

Dominic Muldowney is a young graduate of York University, a gifted musician with, to judge by the new String Quartet which the Medici Quartet introduced at the Harrogate Festival last Saturday, a sardonic self-awareness as well as a sharp creative talent. He is also a craftsman with a feeling for his medium; and while not doubting this, the quartet's leader, Paul Robertson, felt moved to alert the audience to what he frankly called the ugliness of the work's opening, and to beg us to believe in the scratchy sounds and the blurred "near-ensemble" of some passages as deliberately sought.

What Muldowney is doing, his programme note declared, is resolving a student fascination with the music of the late 19th century, an interest that began with something like contempt, certainly distrust, and then moved by way of parody into a by no means unusual respect for the object parodied. He speaks of the exaggerations of the late 19th century, its "long-drawn-out melodic lines, rich and sensuous harmonies, and the large, inflated structures," and their "doubtful integrity." His music indicates a critical attitude much more accurate than these generalisations.

Superficially, the work is an amalgam of ferocity and extreme sweetness. The opening—and Mr. Robertson has led a sheltered life if he has encountered nothing more ugly—throws furious, jabbing notes from player to player, building up a barrage through which there emerges a long central section: here, lyrical lines unfold over hushed held notes in a passage musing over certain harmonic and melodic tics of late Romanticism. The final gesture is a rising cello phrase that perhaps echoes down a long tunnel from *Tristan*, curtly dismissed with a jab from the work's opening.

Within this music lies quite a complicated set of reactions. Even if Mr. Muldowney's view of late 19th Century music is partial, and takes no account of the essential attitudes of Romanticism in its latter phases, he has sensed the potency of some of the expressive language to which those attitudes gave rise; and he has done so across an acknowledged gulf. This is not the music of a composer feeling himself at the end of a great tradition, either hopefully inheriting or furiously disinheriting in sharp reaction, but music written from a later historical standpoint, looking back at an idiom as distant as that of classicism or the Baroque. Fascinated, and somewhat appalled, by what he has taken to be the attributes of this remote culture, Mr. Muldowney is none the less sensitive enough as a composer to respond to them positively. In his aggression lies a recognition of the strength of what he is "attacking"; and in the lyricism of some of his textures and melodic lines there is a distinct nostalgia—nostalgia in the true sense of an ache to undertake a journey home. He feels he has made his peace with Romanticism, and certainly he has set about this inventively and candidly; but the strength with which it has worked in his imagination here suggests that he may have signed a truce rather than an armistice.

Saint-Paul-de-Vence

Bonnard at the Fondation Maeght

Although he was born in 1867 and lived until 1947, no tremor of war or violent change, or even of personal suffering, ever makes itself felt in the painting of Pierre Bonnard. At most, there is a certain pitilessness in the self-portraits, where the subject appears gaunt and vulnerable in the sudden power of light thrown on him. But in the other works, light is always a degree of joy, going from gentle pleasure to a rare expression of ecstasy. The easily forgotten charm of ordinary, daily events, domestic happiness and the glory of nature fill out his world.

One may feel that the absence of any tragic note in Bonnard's art prevents it from touching one as deeply as, say, certain Monets

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or Degas, or even Vuillard. It is true, I think, that at times the contentment that emanates from his pictures can appear unreflecting, as though life really were nothing but one long bourgeois idyll. But in his greatest paintings—which, for me, are the nudes lying in a bath or sponging themselves — there is such beauty, such a sensation of the fullness of life, that a corresponding feeling of sadness at its ephemerality becomes inevitable.

Until September 28, the Fondation Maeght at Saint-Paul-de-Vence (which is half-an-hour's drive from Nice) is showing some 80 paintings, as well as numerous drawings and illustrated books, by Bonnard. The exhibition is entitled "Bonnard dans sa lumière," and refers to the fact that, from 1910 onwards, hardly a year passed in which Bonnard did not spend time by the Mediterranean. Finally, in 1925, he bought a house in Le Cannet, just behind Cannes, and lived throughout the Second World War there. Contact with Mediterranean light was clearly one of the decisive events in Bonnard's development; and the present show has of course been inspired by the belief that his works can be seen best in the Midi. Curiously, and much against my own expectations, I was rather disappointed by the Fondation Maeght's show. I imagine Bonnard's own light, rather as I imagine Matisse's (another lover of the Midi from the North), to be any ordinary room made mysterious by the shafts of bright sunlight falling through blinds or closed shutters. At the Fondation, not only the light but the space of the rooms tends to work against the richly-coloured intimacy of the paintings.

Another reason for disappointment lies, perhaps, in the choice of works. Although a number of superb works were on show, Bonnard's very best paintings did not seem as fully represented as they might have been: there were too many of the purely decorative landscapes and too few nudes. That said, the superb works included a nude kneeling in a tub of circa 1916, where every surface, whether flesh or tin or floor, shimmers like water moving beneath the sun; and a magnificent nude in a bathroom in which tiles and fabrics make up the most sumptuous mosaic of resonant colour.

The exhibition is rounded out with some 60 drawings, which emphasise Bonnard's sense of humour and stylistic freedom but do not alter one's overall view of him as an artist. There is also a selection of his often charming illustrations (for Paul Verlaine's erotic poem *Parallèlement*, notably), as well as letters and photographs. With age, Bonnard came to resemble a Japanese priest, ascetically thin and withdrawn-looking, for whom light, as he once said, was God. In the best works at Saint-Paul, where the sky is so brilliant it often strikes flat all but the strongest colours, one finds a light that is truly Bonnard's own, coming via the outside world, certainly, but from a curiously intense yet serene inner jubilation.

MICHAEL PEPPIATT

RSC programme for the Aldwych

David Jones, now appointed Artistic Director of the Aldwych, announced yesterday plans for two productions to follow Charles Wood's *Jingo* (opening on August 19) and Harley Granville Barker's *The Marrying of Ann Leete* (opening on September 18).

Graham Greene's *The Return of A. J. Raffles*, his first new play for 11 years, takes up the story of E. W. Hornung's gentleman-burglar. It will open on December 4. David Jones will direct.

Clifford Williams will direct a new production of Shaw's *Too True to be Good*, opening on October 23.

The Aldwych has been enabled, after discussions between its Artistic Director Trevor Nunn and the Minister for the Arts, to remain open until at least July of next year.

Royal Academy

An entrepreneur of taste

by DENYS SUTTON, Editor of Apollo

The exhibition devoted to the achievement of Monsieur Tériade as a publisher of luxurious books now on view in the Diploma Gallery at the Royal Academy is highly attractive. It acts as a reminder that until just over 15 years ago, a gifted animator of this type was able to indulge in creative activity which would now hardly be possible.

Tériade, whose real name is Efstratiois Eleftheriades, was born on the island of Lesbos in 1897 and arrived in Paris during the First World War. His ostensible purpose was to read law, but as this did not appeal to him, he went in for painting. He became a passionate lover of café life and got to know many young writers and artists.

He had a stroke of luck when a compatriot, Christian Zervos, founded the review *Cahiers d'Art* and entrusted him with the section dealing with modern art. This review was the most exciting of our century and it ranged wide, introducing such then unfamiliar subjects as archaic Chinese and Scythian art to the public.

Inevitably this exhibition, which presents Tériade's role as a patron of the illustrated book, does not bring out his role as a critic; indeed, this side of his activity was none too clearly shown in the Tériade exhibition held at the Grand Palais in Paris in 1973. However, his articles in *Cahiers d'Art* demonstrate his clarity of exposition and the catholicity of his taste. He wrote about most of the major men of the 1920s and 1930s and was aware, as few then were, of the contributions of Kandinsky and Malevich. He clearly grasped the dilemma that faced the younger generation who came at the tail end of Cubism and he praised Borès, Cossio, Ghika, Masson, Mirò and Viñes.

The quality which informs his writing about art (a selection deserves reprinting) was the directness of his visual reactions: he showed little interest in theories and avoided jargon; his emphasis was on communicating his reaction to what, to use his happy phrase, he called "la péau de la peinture."

During the 1930s he organised an important exhibition of modern sculpture at the Bernheim Gallery in Paris and collaborated with the Swiss publisher, Albert Skira, in bringing out Matisse's illustrations for Ovid's *Metamorphoses*. He then invited this artist to prepare another book illustrating Mallarmé's poetry. Both are elegant productions.

Skira gave Tériade the chance to run his own review, *Minotaure*, which was principally a Surrealist organ, though it also represented other trends; one number was devoted to an ethnographical and linguistic expedition made to Dakar and Djibouti.

However, in 1937 Tériade came into his own by founding *Verve*, which survived until 1960. He brought together many different forms of art and literature, and the review contained contributions by Claudel, Gide and Valéry and by the younger generation such as Bataille, Michaux and Sartre. It presents numerous reproductions of the work of Picasso and Braque, Matisse and Chagall and evokes a golden period of French culture.

One main feature was the space given to the treasures of French medieval illumination by Bourdichon, Fouquet and the Brothers Limbourg and to Persian and Indian miniatures. It was natural, therefore, that Tériade should have encouraged his painter-friends to undertake volumes that continued the glorious French tradition, and in 1943, under difficult war-time circumstances, he published Rouault's *Divertissement*. This was the start of a programme which comprised some 25 volumes and included such masterpieces as Chagall's *Cirque*, Giacometti's *Paris sans Fin* and Matisse's *Jazz* and would have pleased such discerning bibliophiles of the past as the Duke of Benz.

These books are marvels of technical perfection and not only show the astonishing virtuosity of their creators — Matisse's ability to match design and print is notable—but reveal something of Tériade's personality. They show his love of the circus, Paris and classical Greece. These books correspond to a vision of life inspired by sunshine and pleasure.

Our period is not propitious for enterprises of the sort that Tériade has sponsored and the presence of this exhibition at the Academy should do much to drive home the point that without a patron of taste and independence, much that is worthwhile will never be produced. Individuals, not committees, are the catalysts.

Monsieur Tériade

Questions of FACT

by B. A. YOUNG

It was decided that the theatre required more sophisticated marketing research and development, that there was an urgent need for attracting a greater audience, if only for economic reasons. On the other hand, in the last 10-15 years, the composition of the audience had altered considerably, and the theatre had not been sufficiently responsive. The theatre should become more closely and continuously informed on government in action; any substantial government support depended on the ability of the theatre to demonstrate its artistic vitality and its significance and importance to the community. The theatre should be more concerned with the betterment of the urban environment, and as it became more involved with the community it should seek substantial business support.

The decisions sound as though they might have been arrived at by any conference concerned with the theatre in this country. In fact, they are the conclusions of the First American Congress of Theatre, FACT for short, which met in Princeton, New Jersey, last year, and has now published its findings in a book, *After the Fact* by Stuart W. Little (Arno, New York, $6.50).

FACT began in the mind of Alexander H. Cohen, the New York impresario who also operates in London. By 1973, when four years of unbroken decline on Broadway indicated the imminence of some kind of crisis, some kind of inter-theatrical conference was clearly essential. Even so-called hit shows on Broadway were not selling out, the number of new plays was steadily reduced, many of the new productions were promoted from off-Broadway non-profit-making houses. As Walter Kerr said in the *New York Times*, there was "no pressure under the Broadway floor. . . . You could put your ear to the ground and hear only the subway."

The delegates to the conference, from 17 states, the District of Columbia and Canada, covered a wide spectrum of American theatre, from Alexander Cohen to Julian Beck of the Living Theatre (currently not living much, as it happens), from Joseph Papp to Richard Schechner of the Performance Group.

Joan Sandler of the Black Theatre Alliance in New York complained that the tone of the conference seemed to be that "you are not doing it in a meaningful way unless you go to Broadway." Richard Schechner (former editor of TDR, now a professor of drama at New York University) went further. "Do we want to lend our support to subsidising a scheme which many of us oppose? . . . Why torpedo a ship for 10 years, and then when it is going down help to rescue it?" Judith Malina of the Living Theatre opposed the acceptance of any kind of subsidy from Congress or the foundations, subsidy "which we consider blood money and dirty money," but had to confess that when the Living Theatre had been in Germany they had accepted some blood money from the Germans.

A more reasonable attitude was taken by Hazel Bryant of the Afro-American Total Theatre: "It becomes very difficult for people who do not have money to have a strong voice. That is one of the ways that you who have money can help us."

"You who have money" was, however, an appeal to comparatively few. Alexander Cohen said indignantly that he had never taken a subsidy from anyone and would refuse one if it were offered. But a warning voice came from Bernard Jacobs, executive director of the Schubert Organisation. "As I see it," he said, "there is no future for the profit theatre as we know it."

It cannot be said that FACT achieved any great measure of agreement among its delegates, to judge from Stuart Little's useful account of its activities; but like Mount Everest its significance consists of its being there. It has now been incorporated as a non-profit-making corporation, with a Board that covers the territory between Alexander Cohen and Gerald Schoenfeld (of Schuberts) on one hand and Joan Sandler and Mercedes Gregory (of A Bunch of Experimental Theatres) on the other. "No master plan for the American theatre was evolved." Mr. Little reports: "no convenient and neat resolution of the often conflicting opinions and ideas would have been possible."

If the American theatre is as much like the British theatre as it seems from this account, no master plan or neat resolution is likely to appear in the foreseeable future. But to keep such an organisation in being can do nothing but good.

Paris theatre

John Ford at Vincennes

by MICHAEL PEPPIATT

One reason for going out to the far-flung spaces of the Cartoucherie at Vincennes to see Stuart Seide's production of *'Tis Pity She's a Whore* is that the same American director put on an interesting *Troilus and Cressida* at the Théatre de Chaillot just a year ago. Another, of course, is to see how this troubling play by John Ford comes over in French, and how it affects a French audience.

Candles flicker in the dark as you find a seat on the packed bleachers rising on either side of a long table. You can make out rough platforms beyond the table to left and right. Figures move round in the half-darkness, murmuring lines in descant that seem familiar and turn out to be a bouquet of quotations from other Elizabethan poets. Then the play itself begins, with Giovanni confessing his unlawful passion to the friar. Right away, in the friar's corpse-like appearance and the hiss in which he warns Giovanni of the terrible implications of his love, comes a sense of maximum exaggeration which continues throughout.

The play has been cut, understandably enough, of considerable slices of text that have no direct bearing on the theme of incest and the resultant hell of remorse and revenge. But the clarity—and the concentration of the play's most moving poetry—that could have been gained in this way are lost to mannerisms of violence and spectacular effects which merely jar and disjoint. One realises what the director was after: a summum of Elizabethan black passion that had the physical immediacy of a knife fight in the streets—where danger was so present that involvement became inescapable. That kind of perfection lay far beyond the production's reach, unfortunately. With everything in such a high key from the start, the most profound violence looked, when it came, as though it were being deliberately burlesqued. It's extremely difficult, of course, to know how to have a hero arrive at the banquet with his sister's heart ("trimm'd in reeking blood") on the end of his knife. But once a sense of ridicule sets in—as it does early on here, because of the rank exaggeration—scenes like these necessarily seethe with absurdities; and what presumably started out to give full volume to Elizabethan lust and rage turned into a ragged parody of it.

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With the exception of a few boulevard comedies and café-théatre sketches, Paris theatre now goes into a long summer sleep. Meanwhile, the Festival d'Automne, which will open on September 16 and last until December 20, promises to bring a number of interesting theatrical events to the city. Among those which immediately catch the eye are a Japanese liturgical play by the Yoshi Company; a number of Algerian plays by a group called l'Action culturelle des Travailleurs d'Alger; Milan's Piccolo Teatro with *Il Campiello* by Goldoni; the Teatro Stabile from Turin with a play adapted from Aristophanes; and La Mama with an adaptation of Euripides' *The Trojan Women*.

Marcel Marceau, the French mime, who opened a season at the Sadler's Wells Theatre last night

Albert Hall/Radio 3

Twelve Hours of Sunset

by MAX LOPPERT

Twelve hours of sunset are experienced, as jet-travellers are aware, on westward flights. David Bedford's 30-minute choral composition of that name—a BBC commission given its first performance at the Proms on Friday—seeks to convey the "strange feelings of suspension, timelessness and perpetual evening" evoked on such a journey, against an apparently motionless sun.

Mr. Bedford has, more particularly, borrowed his title and the text of his piece from a song by the pop composer-singer Roy Harper. Against long-sustained triads richly augmented and held, always *ppp*, by a smoothly blended orchestra (its reedy bassoons and oboes as well as dramatic percussion omitted, and strings divided into many parts), the large choir delivers the words, not with the emphasis on meaning, but rather as the vehicle for long swelling and sliding vocal lines, shimmering within the framework of the chord.

There is very little movement of a dynamic nature in the piece—the chords can be boiled down to a basic four, on the roots of E, A, D and G—and no sense of pulse. What movement there is occurs in the contrast and change of texture, each transformation forming the basis of a new section. So little twisting flutters in the string parts swarm across one section; in another, choral soloists mutter repeated phrase-fragments above the larger choral haze; there is a delicate, fantastic episode for pizzicato strings rushing up the scale as though tracing wisps of passing cloud. At about the seven-eighth mark, a large crescendo begins to move through the orchestra to reach the choir, until the final full cry, in a new key, that proclaims arrival, or the final setting of sun.

I found *Twelve Hours of Sunset* an enjoyable journey. It would be easy to mock at its episodic construction, its textural elaboration of materials almost crude in their simplicity, its length. It is easy to trace those rich chords, and even the manner of colouring them, to Dawn in both *Daphnis and Chloë* and *Gurrelieder*, to Delius and Debussy. On Mr. Bedford's own admission, at a pre-Prom talk, there is in the working a "joy in texture for its own sake" that derives from Ligeti and the Polish school, though his purpose—of drawing the listener into a timeless trance—is different.

What mattered, in the well-prepared performance (BBC chorus and Symphony Orchestra conducted by John Poole), was the evocative, non-intellectual, soothingly meditative mood that stole over the listener. It may not work on others, or even on a second hearing; once, at least, it was rather a beautiful experience—blessedly free, it must be noted, from the shiny pop-chic or the mod whimsy that has marred so many Bedford pieces.

Its companions in this programme were the Elgar Organ Sonata and the Brahms Fourth Symphony. The Prom prospectus this season is generally far less interesting than in those of the recent past; one of its few innovations appears to be the yoking of the most unlikely composers imaginable into a single concert, and, Friday's was, by a long stretch, the most innovative. Hard, for some while after Elgar's padded melodies, to hear Bedford; impossible after him to stay for Brahms, even for so magisterial a Fourth as Sir Adrian Boult's.

Ronnie Scott's Club

Cecil Taylor

It would be easy—and critically convenient — glibly to dismiss the ostensibly incomprehensible pianist/composer Cecil Taylor as a charlatan. However to do so would be to ignore several hard facts which contradict the validity of such a judgment. First, Taylor is a conservatory-trained musician whose technical ability as a pianist is beyond question. Secondly, Taylor, now aged 42, has steadfastly played his uncompromising, violent music for so long to the steady disinterest of the vast majority of jazz listeners and the unconcealed impatience of commercially-minded club owners, that he would have to be some sort of masochist to continue this unsatisfying, unrewarding course if he did not genuinely believe in his music. Thirdly, Taylor is acclaimed by reputable fellow-musicians all over the world as one of the great innovatory figures in jazz.

His three-week engagement at Scott's (which ends on August 23) pinpoints the listener's confusion and dilemma and also, incidentally, the dilemma of some critics who are loath to dismiss Taylor's outpourings as nothing more than coteric music, just in case Taylor subsequently turns out to be the most important figure in jazz since John Coltrane and Ornette Coleman.

Perhaps no other musician in contemporary jazz (save perhaps Miles Davis) is more uncompromising than Cecil Taylor. He is from the take-it-or-leave-it school. He and his accompanying musicians (alto-saxophone and drums only) amble on to the stand and eventually launch into an assault of astonishing violence on their instruments which continues without pause for about an hour.

Taylor attacks the piano keyboard with fast, frantic, hysterical runs and clusters, staccato phrases and jabs as Jimmy Lyons (alto) and Andrew Cyrille (drums) squeal and bang, creating hugely complex figures. Interplay is the name of the game here. Tempo tunes, rhythm and similar old-fashioned qualities have no place in Taylor's musical conception. Eventually Lyons rests and Taylor continues with Cyrille. Later Lyons returns for another assault and after an hour or so this furious volcano of music is momentarily extinguished—that is, until the concluding set which is much the same in intensity as the first, except that the other morning Taylor added some loud gratuitous grunts to vary the diet.

There is no gainsaying that Cecil Taylor is generous with his playing. He gives of himself totally and no doubt expects the listener to do likewise. But it is really too much to expect the average listener to follow him along the complex harmonic and melodic path he follows. If you can keep up with him for a full set you will be lucky—and strong—for he plays without rest, without shape or shade. The truth is that Cecil Taylor's music is a vast, frenetic, depressing blanket of ugliness. And it is true to say that he communicates to only a small section of the jazz public, certainly at Scott's. For how can a black, avant-garde pianist with a record of hostility to the white-dominated commercial world find empathy with his music of anger played to a predominantly white, comfortably off audience in London?

This was one of the many questions and thoughts prompted during Taylor's two long sets last Friday night as he pursued his grim foray into the world of musical anarchy. There are also the considerations of the validity of his music, the continuance and development of jazz and the vital question of whether jazz is a finite art. If, as one suspects, it is, then it looks certain Cecil Taylor has gone over the boundaries and created a form of music that is not jazz as the word is most generally understood.

KEVIN HENRIQUES

WORLD TRADE NEWS

Ships for Lagos need prior local clearance

By Our Own Correspondent

PORT LAGOS, August 11.

THE FEDERAL Ministry of Transport has warned all foreign cargo ships en route to Nigeria to obtain official clearance from the *Nigerian Ports Authority before* sailing to Lagos.

A statement said local shipping companies and agents should notify the port authorities two months in advance of the departure dates of their ships, the nature of the cargo, and estimated time of arrival at the Nigerian ports.

After receiving all the necessary data the Ports Authority would authorise sailings and *guarantee berths, or, alternatively*, suggest new dates which must be complied with.

The ministry has given a warning that any ships sailing without authority will be boycotted.

Nigeria has been plagued with prolonged port congestion since last year and several emergency measures taken to decongest the local ports have so far proved abortive.

Port sources said the total of ships piled up at the main seaport here has risen to nearly 300.

Nigerian surplus falls 80%

By Our Own Correspondent

LAGOS, August 11.

NIGERIA'S VISIBLE trade surplus dropped by 80 per cent. in the first half-year to Naira479.5m. (*£342m.*) against Naira 2·4bn. (£1.72bn.), reports the Federal Office of Statistics.

The volume of external trade dropped 7 per cent. Naira 3.59bn. (£2.56bn.). Crude oil shipments accounted for about 95 *per cent. of the shortfall* in exports. Although more oil was sold the financial return was smaller because of the downward revision in posted prices.

The office said Nigeria's traditional exports suffered a *serious decline during the period* uner review.

Sydney plant for Morgan Crucible

Morgan Crucible is increasing its investment in Australasia by building a ceramic fibre manufac*turing plant on the Bourke Road* site of Morganite Australia Pty. in Sydney, its principal Australian subsidiary.

The investment, costing $A600,000, will be mde in partnership with Babcock and Wilcox of New York. Morganite will hold approximately 30 per cent. of the equity and will continue as distributors for Triton Kaowool in *Australia and New Zealand*.

The new company will start trading on January 1, 1976, with imported fibre, and production is planned to start on June 1, 1976.

Export Contracts

BRITISH AIRCRAFT CORPORATION has sold two more One-Eleven 500 regional twin-jet airliners to Philippine Airlines, raising the One-Eleven fleet to nine aircraft and the domestic *fleet of British-built* and Rolls-Royce powered aircraft to 20.

P. ORMISTON AND SONS, London, is supplying 30 miles of 2mm English stainless steel wire costing £16,000 for the 1976 Olympic rowing course at *Montreal*.

BORN HEATERS, Hove, will supply three tube super heaters worth £1m. for a Dow Chemicals (Nederland) new styrene monomer plant at Terneuzen.

HAFLAND SIMON will make equipment *valued at £450,000 for* the Mondi Paper Company's No. 3 machine and associated primary winder at its pulp and paper mill near Durban.

COMPAIR INDUSTRIAL has orders worth £500,000 for 16 *units of a new range of* Reavell centrifugal air compressors, with the major contracts £180,000 for the Singapore Ministry of Environment and £80,000 for Gist Brocades, West Germany.

U.K. 'in the running' for new arms orders from Australia

BY DAVID BUCHAN

BRITAIN is "very much in the running" for a number of Australian *arms contracts*, Mr. William Morrison, the Australian defence Minister, said in London yesterday. Britain was still highly regarded as a supplier, he stated, despite criticism that could be made about delays in delivery of submarines and also the fact that Australia was shopping "world-wide."

A significant factor in boosting the arms trade between the two countries, Mr. Morrison explained, was the "*offset*" agreement that he has just signed in London after talks on Saturday *with* Mr. Roy Mason, the British Defence Secretary.

That stipulated not only the share of work on British arms contracts that would be done locally in Australia, but also provided for the sale of Australian *arms in return. Asked to name* categories in which Britain might be interested, Mr. Morrison could only suggest munitions and the Nomad reconnaissance aircraft, which has not yet been exported.

The *second accord* which Mr. Morrison and Mr. Mason have signed is specific—the division of research and development between Britain and Australia on the Barra sonar system, whereby Australian sonar buoys *will be monitored by British* equipment in American P3 Orion naval aircraft.

Mr. Morrison was critical of Scott, the Clyde shipbuilder, who is building two Oberon class submarines for the Australian Navy, having already supplied four. The latest two, which together with some work carried out in Australia will eventually cost Canberra $A50m. (£30m.) should have been finished this year. But what Mr. Morrison described as faulty cable had delayed completion to 1977. Mr. Morrison said Mr. Mason had promised *to press* Scotts to finish the order as speedily as possible.

On sales of the British Aircraft Corporation Rapier surface-to-air missile Mr. Morrison said his government would soon choose *between the Rapier and the* French-German Roland system.

It could be significant that the Rapier has been tested in the Australian outback, and that Mr. Morrison, who arrived in Britain from the U.S., is not *visiting France or Germany*.

Australia has decided to fit some of its U.S.-built armoured vehicles with British Scorpion gun turrets.

To protect its offshore gas on the North West continental shelf, and anticipating the possibility that the International *Conference on the Law of the* Sea may extend "resource zones" to 200 miles, Australia wants to update its patrol boat force.

To that end, Mr. Morrison is sending his chairman of the Chiefs of Staff and the Secretary of the Defence Committee to Brooke Marine, at Lowestoft, *this afternoon*.

Canberra may turn to Westland Aircraft for some seven Sea Lynx helicopters. But a decision to buy the two U.S.-made patrol frigates from which the helicopters would operate will not be made until next February. By contrast with the submarine orders, Mr. Morrison said Australia was very *satisfied* with its ten Sea King helicopters from Westland.

He refused to be drawn on reports that Australia was interested in the European Multi-Role Combat Aircraft (MRCA), saying that no decision to replace the front-line Mirage fighters would be taken until the 1980s.

On broader defence interests, Mr. Morrison stressed that "despite the increasing impact of our geographical separation," Australia was "firmly aligned" with Britain. She was concerned at the competitive naval build-up *in the Indian* Ocean between the U.S. and the Soviet Union, and maintained that the forum for negotiation was bilateral talks between the two super powers to limit the size or number of their ships.

Mr. Morrison welcomed a promise by Mr. Mason that Royal Navy visits to Australia, although now less frequent, would be of longer duration and greater strength. In relation to Britain's withdrawal from Singapore, he stated there would be no review of the Australian Air Force detachments in Malaysia and Singapore *until the middle of next year*.

Mr. Ross Belch, managing director of the Scott-Lithgow group, replying to Mr. Morrison's criticism, blamed the delay on faulty electrical cables and skilled labour shortages.

"*I am very surprised* and deeply disappointed at the comments that have been made. We were getting on very well with the order for two more until circumstances arose totally outside our control. A delivery of *faulty cables resuted in* our whole submarine programme being set back."

Mr. Belch said that the three-day week and loss of steel workers to the oil industry has increased the yard's problems.

World invisible trade

FINANCIAL TIMES REPORTER

WORLD INVISIBLE trade increased by 16.5 per cent. in 1972, to reach an aggregate payments figure of $122bn., com*pared with $104bn. in 1971*. The growth was not as rapid as trade in goods, reversing the trend apparent in earlier years, and the share of invisibles in total payments remained constant at around 26 per cent.

These figures are contained in the latest World Invisible Trade study published yesterday by the *Committee on Invisible Exports*.

The committee points out that the 1972 statistics, the latest available on a comprehensive basis, do not reflect the impact of dearer oil and the onset of the world recession.

Mr. William Clarke, director of the Committee, said that in 1972 Britain showed a small balance of payments surplus, to which invisible earnings made a vital contribution.

"After the unprecedented deficit on U.K. visible trade account in 1974, that contribution is more important than ever," he says.

In 1972, the U.S. and Britain were again the leading invisible exporters, accounting for over a third of the world's total invisible receipts. The U.S. share was down to 21.9 per cent. (22.4 per cent.) with the U.K.'s only marginally lower at 11.2 per cent. (11.5 per cent.). West Germany was the third largest invisible exporter, with 7.7 per cent. (7.8 per cent.), followed by France with 7.0 per cent. (7 per cent.) and Italy with 6.1 per cent. (6.1 per cent.).

Top 10 Invisible Earners

TOTAL RECEIPTS

	1972 $m	1971 $m	1972 %	1971 %
U.S.	26,998	23,784	21.9	22.4
U.K.	13,842	12,208	11.2	11.5
W. Germany	9,518	8,315	7.7	7.8
France	8,626	7,422	7.0	7.0
Italy	7,582	6,481	6.1	6.1
Japan	5,503	4,195	4.5	4.0
Netherlands	5,181	4,498	4.2	4.2
Switzerland	3,741	3,067	3.0	2.9
Spain	3,639	2,801	2.9	2.6
Belgium Luxembourg	3,616	3,150	2.9	3.0

Nordic Investment Bank plan

By Our Own Correspondent

REYKJAVIK, August 11.

SPECIFIC PROPOSALS on the establishment of a Nordic Investment Bank have been discussed at a meeting at Husavik, Iceland, by the *chief committee* of the Nordic Council. The bank would give support to projects con*sidered in the mutual interest of* all Nordic countries.

A meeting of the Council will probably be held in Stockholm during November at which the proposed bank would be the main topic.

Mr. Odvar Nordli, leader of the Norwegian Labour Party, said the establishment of such a bank would be a *continuation of* the idea of establishing "Nordec," which was supposed to become an economic union of the Nordic countries. But that idea failed several years ago.

Mr. Ragnhildur Helgadottir, of Iceland, chairman of the Nordic Council, described the proposal as of great importance to Ice*land. The establishment of a* bank would mean that economic co-operation between the Nordic countries has been proved a reality. The five countries would supply the necessary capital, of which Iceland's share would be *only 1 per cent*.

Developing countries' big deficit

By David Egli

GENEVA, August 11.

A COMBINED trade deficit for 1975 of $33bn. is forecast for the developing countries as a whole *if petroleum exporters are* excluded from the group. The estimate, made by the Secretariat of the United Nations Conference on Trade and Development, is based on an "*optimistic hypothetical set of calculations*."

The index for commodity exports of developing countries, the Secretariat noted, declined by 12 per cent. from April to December last year and by another 20 per cent. in the first *six months of 1975. If the* chances of further declines in commodity prices during the latter part of this year are taken into account, the trade deficit could amount to as much as $42bn., compared with $26.1bn. *in 1974*.

Soviet 'profit' on paper and pulp exports

By Lorne Barling

EXPORT PRICES of certain paper and pulp products produced in the Soviet Union have exceeded production costs for the first time, according to the Institute *of East European Market and Economic Research*. The change, it is stated, came about last year as a result of price increases of forest products on the world market.

Prices of export newsprint were well above production costs *at all Soviet newsprint mills, and* the price of sulphite pulp for export to Western Europe was also higher than production costs at most mills.

"The export of other paper qualities and cardboard was, *however, made at a loss*, which implies that the difference between production costs and export prices are covered by the State budget," the Institute declared.

IN BRIEF

Japanese cars

Japan Automobile Manufacturers' Association has said the industry is confident Japanese vehicles are not being dumped or sold at less than fair value in the U.S. In the first half-year *Japan sent 373,000 vehicles to* the U.S., a 32 per cent. fall below shipments in January, June, 1974.

Hong Kong 'tube'

The Hong Kong Mass Transit *Railway Provisional* Authority has received five tenders from British, Italian, and Japanese civil engineering contractors covering the building of Shek Kip Mei station on the modified initial system. All tenders have *now been received for the first* three contracts, effectively representative of all civil engineering associated with the project. The Authority will make a submission to the Hong Kong Government seeking a final "go-ahead." This will be considered on September 9.

New Zealand deficit

New Zealand's payments deficit for the three months to June 30 fell to NZ$220m. (£130m.), compared with NZ$244m. (£144m.) a year earlier and NZ$363m. (£215m.) in the quarter to March 31 this year.

Mission to Moscow

Twelve U.K. companies have been selected by the Soviet Union to take part in a ten-day trade mission from the North of England to Moscow, beginning October 4. At least eight have had no previous business with Russia. The North of England Development Council said Russia was particularly keen on sign*ing agreements for British tech*nical "know-how," plant and intermediate products. Consumer goods companies had been discouraged.

U.S. Texaco prices up

Texaco Inc. has raised by one cent per gallon all grades of petrol, tractor and diesel fuels, and No. 1 and No. 2 heating oils and kerosene in the U.S.

AMERICAN NEWS

Entire Argentine cabinet is forced to resign

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

THE ENTIRE eight-man Argentine cabinet *yesterday* offered its resignation to President Maria Estela Perón in a *move described by official sources* as being aimed at overcoming the country's prolonged crises.

The resignations come as the army and a broad grouping of political forces opposed to the Right-wing extremist policies of the forcer Social Welfare Minister, Sr José López Rega, disgraced last month, were doing their best to eradicate the last traces of his influence in Argentina.

Among those ministers seen as his remaining appointees were the outgoing foreign minister Sr Alberto Vignes, the Labour Minister Sr Cecilio Condotti and the septaugenarian Education Minister Sr Oscar Ivanissevich. There have been calls in Parliament that Sr Vignes should not represent Argentina at this *months' non-aligned* conference in Lima.

Any new cabinet will have to take *quick action to overcome* the fast deteriorating economic conditions. According to official statistics released last week, the cost of living rose 34.7 per cent. in Argentina in July making a total of 116.5 per cent. for calendar 1975 and 177.3 over the twelvemonth. In July the index of rents and housing rose no less than 78.6 per cent.

Yesterday's developments will put into question Argentine tactics *to combat its growing* foreign exchange difficulties. At the end of last week it was announced in Buenos Aires that Dr. Pedro Bonanni, the economy Minister would be attending the impending IMF meeting in Washington after which he would be seeking large new credits for the country in New York.

While any *application* by Argentina for a stand-by credit with the IMF would be unpopular in Argentina because of the policy undertakings that the Fund would presumably ask for from the Argentine authorities, there is no doubt that Argentina needs perhaps several billion dollars worth of new money to allow it to meet its current and immediate obligations. The Argentine foreign debt is put at around $10bn. with about one-third of this being due in the short term.

During the first period of General Juan Domingo Perón's Government *from 1945 to 1955*, relations between his administration and the IMF were particularly frigid and there are many Peronists who would like them to remain so to-day.

While inflation rages and the foreign exchange crisis deepens, unemployment is also soaring and observers in the Argentine *capital are forecasting* that the number of jobless could top 1m. or about one-eighth of the work force by the end of the year if no remedial measures are taken.

Kissinger urges sea law accord

MONTREAL, August 11.

U.S. SECRETARY of State Henry Kissinger to-day predicted disaster unless all nations coopearte to establish international law for control of the seas and space. It was Dr. Kissinger's first major address on control of the seas. He spoke to the annual meeting of the American Bar Association.

"On a planet marked by interdependence, unilateral action and unrestrained pursuit of the national advantage inevitably provoke counteraction and there*fore spell futility and anarchy*," he said. "In an age of awesome weapons of war, theer must be accommodation or there will be disaster."

Dr. Kissinger said that devising laws for control of deep sea *mineral exploration and fishing* along coastal waters are urgent matters. He said that a 140-nation Law of the Seas conference should conclude a treaty by the end of next year.

"The U.S. is resolved to help conclude the conference in 1976 —before the pressure of events and contention places international concensus irretrievably beyond our graps," he said. He proposed that an international organisation be created to set rules for deep sea-bed mining to "preserve the right of all countries and their citizens to exploit deep seabed resources." Dr. Kissinger said that countries and their enterprises mining deep seabed resources should pay a portion of their revenues for the benefit of developing countries.

The Secretary of State repeated Administration opposition to Congressional proopsals that the U.S. extend its territorial limit to 200 miles offshore. He said that such unilateral action would *only* encourage other nations to extend their territorial controls before a worldwide agreement is reached.

He added that unless a seabed treaty is approved in 1976, the U.S. and other nations might begin deep sea explorations on their own, ending chances for international legal control.

Dr. Kissinger also urged that stronger international steps be taken *to deny skyjackers* and terrorists a safe haven and to establish sanctions against states which aid them, harbour them or fail to prosecute or extradite them.

UPI

Cuba returns ransom

BY ADRIAN DICKS

WASHINGTON, August 11.

THE CUBAN Government has made its first gesture since the lifting of the formal international boycott last month towards improving relations with the U.S., by returning to Southern Airways $2m. in ransom money taken by hijackers to Havana in 1972.

News of the Cuban move was broken to-day by Senator John Sparkman, chairman of the Foreign Relations Committee, who called the return of the money "very solid evidence that the Cuban Government is genuinely interested in pursuing a policy of improving relations with the U.S."

He called on the Ford administration to "respond in kind," and to begin a staged removal of its trade embargo against Cuba. As a first step, he suggested the lifting of all restrictions on trade in food and medicines.

Since the Organisation of American States (OAS) voted in San Jose, Costa Rica, last month to "normalise" relations with Cuba, there has been *no sign of* interest on the part of the U.S. Administration in taking the first step. The usual official line has been to suggest it was up to Dr. Fidel Castro to make a gesture of goodwill before the *U.S. would reconsider its own* attitude.

If the return of the $2m. is indeed the move that Senator Sparkman believes, it may now force the Administration to move forward.

Dr. Castro's decision to return the ransom appears a logical first step forward to better relations, building on the agreement signed between the two countries in February, 1973, to put an end to hijackings by returning future offenders. The U.S., for its part, undertook to hand back illegally diverted Cuban ships.

Ford tariff on imported oil 'illegal'

WASHINGTON, August 11.

THE U.S. Court of Appeals to-day ruled that President Ford's tariff of $2 per barrel *on imported oil is illegal*. The court said that Congress has not delegated to the President the authority to impose such a tariff.

The court ruling, in a two-to-one decision, was brought on by a lawsuit filed by the Governors of several north-eastern states against the U.S. Federal Energy Administration, which administers the tariff.

Former President Richard Nixon had initiated a graduated scale of fees on imported oil in 1973 to replace the direct quotas which had limited imports since 1959. Last February, President Ford imposed a tariff of $1 per barrel on crude oil in a bid to restrain the demand for imported oil.

AP-DJ

Bahamas-U.S. fishing talks

By Our Own Correspondent

NASSAU, August 11.

TALKS have begun here between the U.S. and Bahamas Governments over the new Bahamian law barring foreign lobster fishermen from the rich fishing grounds of the Bahamas continental shelf. The U.S. is seeking permission for more than 2,000 Cuban exiles living in Florida to continue taking spiny lobster from the Bahamas banks.

The Cuban Americans warned before the law took effect on August 1 that they would arm themselves if necessary in their determination to continue laying traps. But in the event their trawlers have remained idle in port awaiting results of the diplomatic talks. Bahamian police launches have meanwhile been busy destroying more than a thousand traps laid by the exiles before August 1. A Florida longshoreman union, claiming to represent the fishermen, threatened to boycott Bahamian shipping unless the law was quickly changed.

CAB eases charters

NEW YORK, August 11.

THE CIVIL Aeronautics Board has announced "a major liberalisation" of U.S. charter rules that will, as from the middle of next month, provide air-travellers with very low cost ticket-and-hotel package schemes, writes Jay Palmer. The new rules, which have already been legally challenged by one major airline (TWA), will apply to both domestic and foreign travel as well as special, one-off flights to specific events.

NASA'S SPACE PROGRAMME

The shuttle takes shape

BY MAURICE IRVINE, IN LOS ANGELES

IN A VAST, hangar-like building at Palmdale, where Los Angeles' stucco environs dissolve into the salt-white glitter of the Mojave desert, a final assembly plant is being readied for Orbital Vehicle 101. This is the key component of what will be the basic space transport system, both for the U.S. and the new European Space Agency (ESA), until the year 2000 — the space shuttle.

The dust had barely settled on the Apollo-Soyuz launching pads as the first major units of OV101 were delivered to Palmdale: stubby delta wings, and a mid-section made by General Dynamics at San Diego. Soon, the fore and aft fuselages, along with the pressurised crew compartment, will arrive. They are nearing completion at Rockwell International's main plant in Downey, next door to LA's black ghetto, where nearly 10,000 employees are working on the Orbiter.

"Without the shuttle contract (worth $2.6bn.), we'd be lucky to have 2,000 workers left here," says an executive of Rockwell's space division. The same goes for several other aerospace companies, who find that their slice of the $5.2bn. NASA is laying out to develop the world's first *reusable rocketship is just* enough to keep their space operations in business.

The shuttle, a quaint name for this technological marvel, is the project that will keep the West in the space race, now that *Apollo flights are ended*. Officially launched in 1972 by President Nixon, against bitter opposition from Democrats who thought the money could be better spent at home, this programme is now being boosted by *NASA publicists as the start of* a new era in space.

Dr. George Low, NASA's deputy administrator compares it to the coming of the railroads in covered-wagon days.

"With the shuttle, we're going out on the first train to open up space as never before!"

And Dr. Myron Malkin, NASA *programme director for the* project, says: "We've moved into the space-trucking business. This will be a practical, utilitarian vehicle, a workhorse which can carry 30-ton cargoes into orbit."

While more than 300 contractors and sub-contractors around the country are involved in the venture, which will also take in a vital contribution from European science, the shuttle bears a Made-in-California stamp: it was conceived here, it is being built here, and in due course will be launched on its pioneering missions from here.

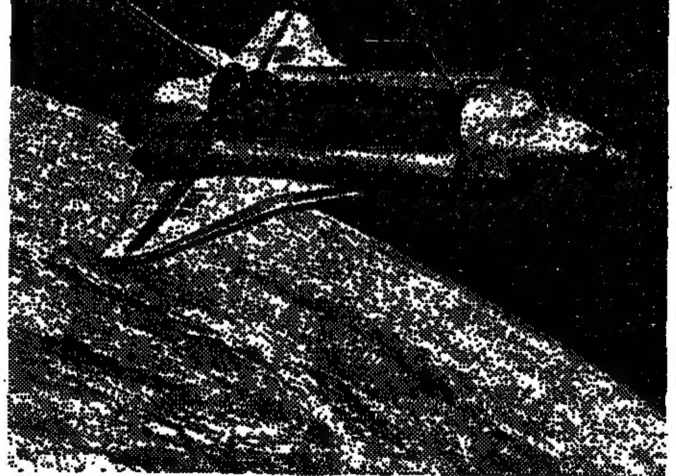
The first test flights are scheduled for 1977 over the desert around Edwards Air Force Base, a few miles from Palmdale. Boeing has a $35m. contract to modify a 747 to carry the *Orbiter* "on piggyback" *for* these tests and, later, transport it to Cape Canaveral and Vandenberg, California, for space launchings. Giant cranes will lift the 75-ton OV101 into cradle racks atop the 747. Then the jumbo will fly its load to 28,000 feet, nose down away from it, and leave Orbiter to manoeuvre back for a landing on its own. The aim is to show that its aerodynamics are sound, says Dr. Malkin.

In mid-1979, OV101 will be sent into space with the help of two big solid fuel rockets and a huge tank of liquid hydrogen and oxygen, which will drop away as the craft goes into orbit. The boosters will come down by parachute, to be fished out of the sea and used over and over again.

Besides its crew of three, the shuttle can carry four non-*astronauts—scientists, meteorolo*gists, atronomers, or geologists, depending on the mission. Many of them will be borne aloft in a roomy space laboratory which will emerge from the shuttle's 60-foot long cargo bay when the craft is in orbit. This $400m. capsule is the European contribution, designed and developed *by the 10 member countries of* ESA (U.K. included) to fly 50 missions of up to 30 days each. It is being built by an industrial consortium headed by ERNO-VFW-Fokker.

The current plan calls for five re-usable orbiters, each capable of 100 missions into space. The secret of the shuttle's longevity is a newly designed series of heat-resistant materials which will cover its aluminium frame from nose to tail. Leading edges, where re-entry temperatures climb to 2,600°F, will be coated with many layers of carbon-impregnated cloth, while most of the body will be sheathed in light, flame-resistant silica tiles. "It's a brick ship," says Dr. Malkin.

What benefits will the shuttle yield? For the military, quite a few. Although no one is talking about the Pentagon's deep involvement in the project, some of the advantages it offers to the USAF are plain enough:



An impression of the delta-winged orbital vehicle, key component of the space shuttle, with a "space tug" above ready to return a load to Earth.

electronic surveillance from space *would become cheaper and* more efficient. The Orbiter could plant scores of spy satellites for only a fraction of to-day's cost (about $2,000 a pound to put anything into orbit). Alien satellites could be checked out, even quietly "neutralised."

It is known that the Air Force insisted on Orbiter's delta shape, rather than the straight-wing design originally planned by NASA, because the former—*although* more complex and costly—gave extra versatility and range for military missions in polar orbit, *including Soviet* overflight. From Vandenberg base (launch site *for* nearly all U.S. military satellites) in California, the Air Force will fly 20 missions a year at the height of the programme in the 1980s. The USAF recently announced a $656m. programme to expand and convert facilities at the huge base to accommodate recovery and launch of the shuttle.

NASA's civil flights will reach a maximium of 40 a year in the 1980s. These will be launched from Cape Canaveral, where the shuttle will get a 1,000 m.p.h. boost from the earth's rotation, enabling it to carry bigger payloads. Besides taking aloft the ESA spacelab, the versatile Orbiter will be able to plant communications satellites in orbit, repair and reclaim those already there, send scientific probes speeding to distant planets and—even with seven people aboard—*rescue* up to three men at a time from a spacecraft in difficulties.

The shuttle will also be able to transport the components needed to build large structures in space. NASA scientists talk *blithely of orbiting factories*, power stations and laboratories, which will help to solve such problems as the best use of earth resources, weather forecasting and control, and the making of new alloys impossible to manufacture in earth's gravity. Boeing engineers are already working on designs for an immense solar power plant in space, with 20 square miles of mirrors to beam 10m. kilowatts of power to earth—more than the biggest dams.

Private corporations will be offered charter flights on the shuttle—at about $10m. a trip. *So far*, NASA admits, *industry* and the universities are not exactly falling over one another in the rush to get on board. Another "first" for the shuttle will be the flight of the first American woman into space. *All in all, over 12 years, more than* 500 missions will be flown.

The ultimate cost is not something NASA officials care to talk about too loudly. The Agency sold the project to Congress on the basis of sophisticated cost-benefit analyses, and by scrapping some of its ambitious plans it claims to be staying within its *$5.2bn. budget (1971 dollars) for* the first two vehicles. But three more are to be built, and Congressional critics complain that inflation and hidden costs may yet raise the total bill to $40bn. or more. Already Rocketdyne, builder of the Orbiter's main engine, is seeking a new contract with NASA, based on a 20 per cent. *development cost overrun* last year.

As for Californians, they're *simply glad* of the work. The shuttle is providing jobs for 60,000 people. And these are hard times on the ground.

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More violence in North Portugal

BY OUR FOREIGN STAFF

VIOLENCE again erupted yesterday in northern Portugal. For the second day the fiercest fighting was in Braga, where 18 hours of rioting left 43 people injured. Hundreds of angry Catholic demonstrators burnt Communist party offices to the ground and then sacked the local headquarters of the pro-Communist Portuguese Democratic Movement (MDP) and made bonfires of furniture in the street.

The assault on the Communist party offices was the second since a fiery anti-Communist speech on Sunday night by the local Archbishop, Dom Francisco Maria da Silva, whose diocese is said to be the most conservative bastion of northern Portugal.

The building had been left without a military guard after marines had evacuated most of the Communist officials in armoured cars early yesterday morning. But later, according to eyewitness accounts, some 200 demonstrators began stoning the two-storey party building. Some remaining Communists then opened fire, wounding three people.

It was then stormed by the crowd and set on fire, producing a series of grenade explosions within the building. According to police, the crowd would not allow fire engines to reach the building until it was engulfed in flames. Some 20 Communist Party members reached the sanctuary of a garden, through a back door, where they were rescued by troops again. In all some 30 people have been wounded since the fighting broke out on Sunday night.

Police also reported that at least four other Communist Party offices were destroyed in northern towns in the worst rash of violence since anti-Communist riots began spreading through the north of the country a month ago.

Some eye-witnesses in Braga blamed the increase of violence in the city on the fact that the marines arrived on the scene "shooting" on Sunday night. These sources said that the local militia who took over when the marines left early yesterday did not interfere when the crowds again built up later.

The violence in Braga broke out as military units met throughout the country to discuss whether to support the new Left-wing three-man junta or the "moderate" officers who have objected to the composition of the new Government and demanded a return to a pluralistic democracy. An important factor in this, the 850 commandos stationed on the outskirts of Lisbon, said yesterday that they had reached their decision but refused to make it known until the military leadership had been informed.

Portugal's political crisis has escalated rapidly since nine moderate officers, led by Major Melo Antunes, the former Foreign Minister, released their manifesto objecting to the latest swing in Government policy. All nine officers have been relieved of their positions from the Revolutionary Council with the formation of the new Government.

Bonn economic policy discord

BY JONATHAN CARR

BONN, August 11.

THE WEST German Free Democrats (FDP) — junior partner in the coalition government — are losing no opportunity to play down the significance of the short-term economic measures to help boost the economy planned for the end of this month or the start of September.

Instead they are laying stress on implementation of a middle-term policy whose details seem to have more in common with the recommendations of the opposition and business than with the wishes of the Social Democrats (SPD).

The most vociferous advocate of the FDP view in the last few days has been Economics Minister Hans Friederichs, though the party leader and Foreign Minister, Hans-Dietrich Genscher, has made a rare excursion into the economic and financial field to back up his colleague.

Herr Friederichs stresses that the kind of measures the Government plans—declines even to describe them as "an economic programme" — are aimed primarily at ensuring there will not be too severe a reduction of capacity in the construction industry this winter. He believes that the extent of the measures—probably involving expenditure of some DM5bn.—cannot nearly make up for the negative impact in the fall of West German exports, and thinks that even in 1976 an unusually high level of unemployment must be expected.

Chancellor Helmut Schmidt is known to have placed stress on the positive psychological impact which simultaneous introduction of French and German economic programmes should have on business and the consumer. Herr Friederich's remarks seem, on the other hand, calculated to dampen excessive expectations.

In Herr Friederichs' view a real economic upturn can only come when industry is prepared to invest more—and this presupposes an increase in profits. This in turn means assurances to the private sector that taxes will at least not be raised and that social reforms will not be introduced which increase the burden on enterprises. This reflects very well the views repeatedly expressed by the Opposition and by employers' organisations.

On social reform, both Herr Friederichs and Herr Genscher speak out for resolution of the lengthy dispute within the coalition on a new law governing participation of workers in management. But both make it clear it is the FDP view which must prevail if the propensity to invest is not to be undermined.

On another outstanding piece of legislation, governing accumulation of assets by workers, Herr Friederichs makes it plain he feels the coalition's model to be now outdated—and inclines towards one long since suggested by the Opposition CDU.

On taxes, Herr Friederichs finds support for his view in a report released to-day by the Finance Ministry. The report, by an independent group of experts, says that taxes should be raised only as a last resort to help cover the State deficit, and recommends instead a stringent programme to cut expenditure.

However, areas where it suggests savings might be made include education, the health field and development aid. There are many within the SPD—though not necessarily the Chancellor—who will ask whether it must really be coalition policy to stimulate private profit while cutting back in such vital areas of public concern.

France aids fire effort

HANOVER, August 11.

THREE French "water bombers" were flying in here to-day to help West German firemen extinguish raging heath fires which killed five firemen during the week-end.

The Canadian-built CL-215 planes — twin - engined amphibians—were called in under the terms of a Franco-German catastrophe agreement. They will scoop up more than one thousand gallons (5,000 litres) of water at a time from Steinhuder Lake, near Hanover, for "bombing" the fires.

More than 7,000 West German firemen, troops and security police were to-night fighting three remaining fires in the Lueneburg Heath area, north-east of Hanover near the East German border.

The four-day blaze followed a heatwave, with temperatures in the high eighties fahrenheit.

The Lower Saxony state agriculture ministry to-day estimated that 15 square miles of woodland had been destroyed, causing DM20m. damage.

Reuter

New mayor to face problems of Naples

By Tony Robinson

ROME, August 11.

NAPLES has responded enthusiastically to the election of a 46-year-old Professor of History, Giuseppe Galasso, as Mayor of what is widely recognised to be the worst governed city in Italy. Professor Galasso is a Republican, one of the smallest Italian parties, but he owes his appointment to the support of the Communists, who overtook the Christian Democrats to become the largest single party in the city at the local elections of June 15.

Naples was the former seat of the Bourbon Kings and one of the principal losers from the unification of Italy which shifted the balance of economic power to the North and bought acceptance of the new regime in the South by confirming the existing privileges of the old ruling class. Badly damaged during the last war, the city voted overwhelmingly for the monarchy in the 1946 referendum on the Republic.

Since the war it has been run as the personal fief, first of the charismatic Naples shipowner, Commander Achille Lauro, and then by a group of Christian Democrats lead by Sig. Silvio Gava and his son Antonio. For decades Naples has been a reservoir of monarchist, fascist and right wing Christian Democrat votes which supported varying degrees of corrupt local administrations. These allowed the physical devastation of this once beautiful city under the combined weight of unchecked speculative building and an indiscriminate industrialisation policy which placed steelmills, oil refineries and other heavily polluting, low employment industries within the urban centre itself.

The weight of this new construction overwhelmed existing social and economic structures, choked the sewers, polluted the Bay of Naples and over-populated the bay area.

Naples today is a shapeless mass of over 4m. inhabitants with 135,000 unemployed and a further 400,000 under-employed who eke out a daily living in various ways from crime to shoe shining. Infant mortality here reaches third world dimensions, hepatitis and paratyphus are endemic and cholera struck last year and and could well return. Per capita income in Naples is one third that of Milan. This is the city which Sig. Galasso has to govern. The task he and the new local council' face is an immense one but for the first time since the war Naples has a local government which represents a clear break with the past.

Sweden's strike free image is tarnished

By William Dullforce

STOCKHOLM, August 11.

THE traditional image of Sweden as a land of industrial peace was tarnished during the first half of this year, when 320,000 work days were lost through strikes. This compares with a total of 57,500 days lost during the whole of 1974.

Even more significantly, 318,200 of the days lost during the first six months of 1975 were due to wildcat strikes. The total was heavily inflated by an illegal strike lasting over five weeks in April and May by some 7,000 forestry workers demanding a monthly salary instead of being paid on a piece-work basis.

But, apart from this strike, which ended in the lumbermen winning most of their claims, the number of days lost in other wildcat strikes during the first half of the year was roughly equal to the total lost during the whole of 1974. Most of these centred on discontent about differentials among workers in individual factories following the two-year central wage agreement reached in April by the Employers' Association and the Trade Union Federation.

The surge in illegal strikes has given rise to speculation that the authority of the Trade Union Federation is being eroded. A few of the illegal strikes have been ascribed to the activities of extreme left-wing groups challenging the Federation's Social-Democrat leaders.

Lady Fleming tells of prison torture

BY OUR OWN CORRESPONDENT

ATHENS, August 11.

WITNESSES for the prosecution testified before an Athens court martial today how officers and men of the military police made their prisoners confess their complicity in subversive activities against the military regime which collapsed in July last year.

Lady Amalia Fleming, widow of Sir Alexander Fleming, the discoverer of penicillin, was among the first witnesses to give evidence against 31 officers and soldiers of the special investigation branch of Athens military police who face charges of torturing political prisoners — an offence which could be punished with a life sentence.

Lady Fleming said that the then commander of the special branch, Lt-Colonel Theodoros Theofyloyannakos, threatened to pull out her teeth and nails if she refused to sign a statement admitting complicity in a plot to free Alexandros Panagoulis, the would-be assassin of former President George Papadopoulos.

Lady Fleming said she was locked in isolation in a small cell with a small window but without a bed. She said she was left without water for many days, a fact which caused her maematuria.

"My guards banged the door of my cell and I stayed sleepless for days and night," the Greek-born Lady Fleming added.

The trial, in its second day, is expected to last several weeks. Most of the defendants denied the charges and pleaded not guilty. Only three soldiers pleaded guilty to the charges but claimed they were acting on orders by their superiors when they beat political prisoners.

Two cabinet ministers and the chief of the Greek Navy were also among witnesses for the prosecution to-day.

Tension prevailed in the court room to-day as the defendants stood up several times to challange the accuracy of the testimony. Despite repeated orders by the president of the five-member military tribunal, the defendants intervened in the hearings to contradict the evidence by the witnesses.

Danish PM's Lisbon visit attacked

By Hilary Barnes

COPENHAGEN, August 11.

THE DANISH Communist Party is seriously affronted by Prime Minister Anker Joergensen's visit to Portugal. The Prime Minister arrived in Lisbon last night for a two-day visit at the invitation of Portuguese Socialist leader Mario Soares. The invitation was issued at the Stockholm meeting earlier this month of European Social Democratic leaders.

Non-Communist leader writers here, however, have praised the Prime Minister for casting a cold eye on political niceties and not allowing the fact that he is Premier to prevent him accepting an invitation as Social Democratic Party leader. The visit will not go off quietly, said the conservative Berlingske Tidende yesterday, but it should not; there is no point in this kind of visit if it goes un-noticed.

Communist Party leader Knud Jespersen sent an open letter to the Prime Minister accusing Soares of preparing the return of Fascism. Party secretary Ib Norland was despatched to Lisbon last week to give party colleagues there the background on Mr. Joergensen. The Danish Communists are regarded as among the most Moscow-orientated in West Europe. They polled 2.4 per cent. of the votes in the last election.

GENSCHER, RUMOR DISCUSS CYPRUS

BERCHTESGADEN, Aug. 11.

THE Italian and West German foreign ministers met here to-day to discuss the simmering dispute over the political future of Cyprus. The talks, arranged at short notice, prompted speculation that a diplomatic drive would soon be launched to try to solve the Cyprus problem.

Herr Hans-Dietrich Genscher of West Germany came to Berchtesgaden near Munich after a morning meeting with UN Secretary General Kurt Waldheim in Salzburg.

He and Mr. Waldheim agreed that the psychological climate for reaching a Cyprus settlement had improved, a Foreign Ministry spokesman said in Bonn. The Italian Foreign Minister, Signor Mariano Rumor, who is the current president of the European Economic Community Council, was due to consult Mr. Waldheim in Salzburg later.

Reuter

Maltese textile workers take control of factory

BY GODFREY GRIMA

VALLETTA, August 11.

WORKERS have taken control of Malta's troubled Pheonix Textiles, whose owners are refusing to surrender their interests to two Government agencies without compensation. Occupation of the factory by the company's 400 employees came over the week-end on orders from the General Workers Union after wages, for the second week, were not paid.

The majority of the company's shares are held by Glen Alden Corporation of America. Maltese and British interests hold a total of 46.4 per cent. of Pheonix, one of the leading textile firms on the island.

Last week, revealing the take-over bid by the Parastatal Development Corporation and the state controlled Bank of Valletta, Pheonix Textiles, in a statement, said the company had accumulated losses of £M658,000. The company also owed Bank of Valletta £M885,000 and the Development Corporation £M218,000. The two agencies, the company added, recently demanded a restructure of capital allowing for overdrafts and loans to be cut down in exchange for a shareholding interest. The proposal, however, was withdrawn in the face of losses being made this year.

Instead, the Development Corporation and Bank of Valletta demanded that Pheonix shareholders surrender their equity without compensation.

In reply, the Development Corporation and Bank of Valletta said long-term grants totalling £M542,000 were given to the company on forecasts of annual profits of between £M80,000 and £M100,000. In sharp contrast to the level of state aid, shareholders' capital has remained at £M172,000 even with losses, since 1964 growing from £M64,000 to £M771,000, the two organisations added.

The takeover by the company's workers will put further pressure on Pheonix shareholders, particulary if, as promised, production is started this week by the workers themselves. The company at the moment has orders in hand totalling £M600,000.

THE ITALIAN REFLATION

Critics to the Right, critics to the Left

BY ANTHONY ROBINSON, ROME CORRESPONDENT

THE UNVEILING last Friday of the Italian Government's complex economic package aimed at pumping between L3,500bn. and L4,000bn. (£2.4bn. to £2.75bn.) into the economy over the next two years has been received here with widespread scepticism.

Scepticism is not a new emotion for most Italians, but the reasons behind it in this particular case reveal a growing awareness on many levels that pump-priming measures of this kind are no substitute for the kind of fundamental reforms in the administration of the State and the structure of the economy which have been neglected for so long. It also reflects the fact that over the last few years successive Governments have announced a series of such economic measures whose good intentions have turned out in practice to produce the kind of violent oscillations between frantic "go" and paralytic "stop" to which the last 12 months have been eloquent witness.

It should not be forgotten that only 13 months ago the Government introduced its last fiscal and monetary package aimed at strangling a boom which had led to a massive deterioration of the balance of payments. That package came into operation when the preceding monetary restrictions and import deposit scheme had already drastically cooled the economy. As a result the 12 per cent. growth in industrial output over the first half of 1974 turned into an 8 per cent. decline over the second half and a 12 per cent. decline over the first half of 1975. To be sure, this led to that "miracle" on the external account which has aroused widespread international admiration and made possible a reduction in the overall payments deficit from over L5,500bn. in 1974 to a likely L1,500bn. this year.

But, and it is a big but, this unprecedentedly sharp improvement in the external balance has been bought at an unacceptably high price in terms of output and employment. What is possibly even more important in the long run is a decline in investment and a reduction in industry's cash flow which threatens to exacerbate the already grave symptoms of the "English disease." This implies a weakened economic base with which to face the next upturn when it comes. This brief outline of the main consequences of the last economic package help to explain why the Government has been obliged to make an abrupt about turn now and pump Lire 4,000bn. into the economy to take up the slack.

To be fair, the latest package is not the only step taken in this direction, since monetary policy has been increasingly expansionary since last November. But the fact remains that the government has waited until the economy is on the point of collapse before taking measures which, given the time lag involved, will have only a minimum immediate effect. Treasury Minister Emilio Colombo himself has admitted that at the most optimistic estimate only Lire 500bn. will enter the system this year.

And it is precisely on the question of timing that Sig. Giovanni Agnelli, chairman of Fiat and president of the industrialists' association, Confindustria, has criticised the latest package. "The measures just approved would have been much more welcome if recent political events had not delayed their introduction until August," he said in a scarcely veiled criticism of the way in which the political crisis of the Christian Democrat party in particular has distracted attention from the country's pressing economic difficulties. But his most serious reserve, and here he reflects the concern of a much wider body of opinion than the industrialists, concerns the ability of the state to convert the good intentions of the economic package into effective spending within the prescribed time limit.

Some L2,050bn. of the total L4,000bn. has been allocated to public works ranging from council house construction to the modernistion of ports and airports and well over L1,000bn. for the modernisation and mechanisation of agriculture, the completion of irrigation systems and other linked projects, plus L440bn. to boost the nationalised electricity corporation's nuclear programme.

To spend this quickly and effectively will require a degree of operational efficiency from Government departments and local authorities which they have never shown in the past. What is more the total disarray of the tax system, which Finance Minister Bruno Visentini has said will take at least three years to sort out, means that higher public spending is bound to result in a dangerous increase in the already high level of public indebtedness.

This underlies Governor of the Bank of Italy Guido Carli's valedictory remarks on the state of the Italian economy on leaving his post after 15 years. After insisting on the structural problems of the Italian economy Sig. Carli, in an interview with L-Espresso magazine, expressed his scepticism over the efficacy of the Government's economic package which he felt would lead to the sort of expansion fated to regenerate inflation and come up against the external limits imposed by the balance of payments well before they had an appreciable effect on employment.

> 'Measures of this kind are no substitute for the kind of fundamental reforms in the administration of the state and the structure of the economy which have been neglected for so long.'

And, at this point, the fears of Sig. Carli match the apprehension expressed by the Communist party and in particular by the breakaway left wing Manifesto group which, in an editorial in the Manifesto newspaper on Saturday, attacked what it called the short-sightedness of the official Communist party economic policy line. Given the sweeping left wing advance at the recent local and regional elections there is now a very real possibility that the Communist party will find itself sharing in Government nationally within the next 18 months. By co-operating in a policy of pump priming now, Manifesto said that instead of urging a fundamental structural reform of the Italian economy, the Communist party risks finding itself sharing power precisely at the time when the package just approved will have reflated the economy to the point where inflation and the deterioration in the balance of payments will have created just the kind of crisis which brought about the last "stop" package of July, 1974. Under these circumstances, Manifesto warned it will be impossible to introduce the kind of radical restructuring required to create the 2.8m. new jobs which will be needed to ensure full employment by 1980.

Seen from one point of view the fact that the Government's latest package has been criticised by the president of Confindustria, the outgoing Governer of the Bank of Italy and left-wing opinion might appear a dangerous indication of social and economic disarray in the face of an unprecedentedly sharp economic recession and political crisis.

But it can equally well be argued that such a broad agreement on the need for radical reorganisation is potentially of the greatest significance for the future course of the Italian economy. It is a consensus which also includes the leaders of the principal trade union confederations whose negotiating stance at the forthcoming labour contract negotiations this autumn for 4m. workers is obviously of the greatest importance.

The massive increases in wages and salaries which followed the national labour contract negotiations in the "hot autumn" of 1969 have been a major factor in the crisis of an economy which, prior to 1969, was based largely on cheap and abundant labour. But now, faced with high and rising unemployment, union leaders like Luciano Lama of the Communist-led CGIL, have gone on record to urge the union movement to put the major emphasis on employment rather than higher wages in the latest contracts.

As a counterpart, however, the unions are demanding precisely those structural reforms which will ensure higher employment through a fundamental reorganisation of the economy, whose cardinal feature must be a major research and development effort to improve the technological content and export competitivity of Italian goods, a major shift away from a consumer orientated economy towards one capable of supplying a greater proportion of Italy's own protein and other food requirements, and of satisfying the demand for social consumption of all kinds like workers housing, an efficient hospital and public health system, public transport and, in general, a reduction of the huge gap between Southern and Northern Italy.

This, in a nutshell, is the alternative course for the Italian economy and one which might promise not only to remove some of the social strains which have bedevilled Italian life for decades but also to provide a valid framework for the future expansion not only of the major private and public groups but also that vast network of small and medium enterprises which even the Communist party recognises officially to be the vital base of the Italian economy.

But achieving this "new economic model" within the context of a mixed economy and a pluralistic political system represents an enormous challenge to the ingenuity and discipline of the principal social, economic and political forces within Italy. Above all, it loads an enormous responsibility on to the Communist and Socialist Parties who increasingly look as though they are destined to play a major political role in bringing this new model into being.

OVERSEAS NEWS

Major Smith statement expected

BY TONY HAWKINS

SALISBURY, August 11.

RHODESIAN Prime Minister Ian Smith to-day briefed both his Cabinet and parliamentary caucus on his week-end talks with South African Prime Minister John Vorster, against a background of *speculation that a major announcement* on both the timing and venue for the long planned Rhodesian constitutional conference is imminent.

Mr. Smith returned to Salisbury on Saturday after top level talks with Mr. Vorster at which the two sides "agreed to proposals which if implemented by all parties concerned, can lead to a settlement of the issues involved." The official communique promised a further statement "soon" and in Salisbury it is being forecast that Mr. Smith will make a nationwide radio and TV broadcast within the next few days.

It is most unusual for *Mr. Smith to summon* an unscheduled meeting of his Cabinet let alone the much larger Parliamentary caucus—encompassing all 50 white members of the Rhodesian Parliament. This can only mean that the decisions taken at Pretoria over the week-end were quite "fundamental" and do suggest that Mr. Smith is preparing his colleagues for some change of direction. The most likely change would appear to be acceptance of at least some of the terms demanded by the African National Council (ANC).

The Anchas all along demanded that the conference must be held outside Rhodesia. There has been a newspaper report in South Africa to-day that the two Governments have agreed to a constitutional conference within three weeks at the Victoria Falls which would be declared an international or neutral zone to overcome the ANC's objections to meeting inside Rhodesia.

What is puzzling is that Mr. Smith is going ahead with the briefing of his colleagues—including backbenchers—without awaiting any response from the ANC itself. For its part, the ANC Secretary General, Dr. Gordon Chavanduka to-day announced that the Council was seeking a meeting with Mr. Smith later this week. This follows the ANC President's statement last week that he had instructed his deputy (Dr. Gabellah) to approach Mr. Smith on the matter of a venue for the conference.

It could be, of course, that Mr. Vorster was made aware of Bishop Muzorewa's current stance on this position by the British Foreign Office after last week's London meeting between the Bishop and the Foreign Secretary, Mr. James Callaghan. But there is still considerable speculation here as to Mr. Smith's tactics of briefing his colleagues in advance of formal face to face contacts with the ANC.

It is believed here that Mr. Smith is likely to accept a conference at the Victoria Falls—with banned Nationalist leaders such as Mr. James Chikerema and the Rev. Ndabaningi Sithole participating—or a meeting in Pretoria. It is very difficult indeed to accept the interpretation put forward by the Rhodesia Herald to-day that the talks have gone much further than Rhodesians realise and that Mr. Vorster and Mr. Smith spent the week-end discussing the details of an agreement rather than merely the *mechanics of a conference.*

Civil rule hint in Nigeria

By Our Own Correspondent

LAGOS, August 11

BRIGADIER Emmanuel Abisoye, General Officer Commanding the third infantry division of the Nigerian Army, has said that the country's new military rulers would soon announce a new time-table for return to civil rule.

He gave no details about the new programme or when it would be implemented when he spoke to reporters on arrival in the northern town of Jos yesterday to assume duty as the new GOC.

But his statement lends weight to speculation here that the new military regime of Brigadier Murtala Muhammed would not unduly perpetuate military rule.

The deposed Nigerian Head of State, General Yakubu Gowon, repudiated last October his earlier promise to surrender power to politicians next year.

● The new Government to-day freed 50 political detainees including five military officers who took part in the country's first military coup in January, 1966. A Federal Government statement said the detainees were freed in the hope that they would pursue their legitimate duties and desist from any subversive activities in future.

It said: "The Federal Military Government while being responsive to the legitimate needs, yearnings and aspirations of our people, will not tolerate subversive activities from any quarters which are calculated to slow down the nation's march towards economic, social and political stability."

Nigeria's peaceful coup, Page 12

Crude oil prices cut

NEW YORK August 11.

NIGERIA is retro-actively cutting its crude oil sale prices another 5 cents a barrel to \$11.35 for the third quarter of this year, Petroleum Intelligence Weekly (PI) reports. That is on top of the earlier 20 cent. cut to \$11.40 from July 1.

"It is intended," PI says, "as a symbolic gesture of the new Government's desire for 'co-operation and understanding' with the oil companies."

By cutting third quarter sales prices to \$11.35 a barrel, Nigeria has sharpened its competitive position compared with Libyan crude, priced at \$11 to \$11.20, and Algeria's unchanged \$11.75 price, PI says.

Nigerian crude is still priced some 90 cents above "marker" Arabian light crude in the Arab Gulf at \$10.46, reflecting the higher value of Nigerian oil's yield and its nearness to markets. AP-DJ

'No coup in Timor' —Portugal

SINGAPORE, August 11.

RADIO BROADCASTS from the Portuguese territory of Timor said to-day a political party had staged a successful coup in the island, but Portugal denied the reports.

Indonesian sources in Jakarta quoted the broadcasts from Dili, the Timor capital, as saying the Democratic Union of Timor (UDT), a moderate group which seeks eventual independence from Portugal, last night seized the airport and communications centre. They said arms were used but the coup was apparently *bloodless, and the 30,000 people* of Dili were to-day going about their normal business.

In Lisbon, a Presidential spokesman admitted there had been violence but said: "There was no coup." The Governor of Timor was in full control of the situation.

Portugal envisages that Timor, with a population of some 600,000, will remain under Portuguese rule until October 1978, when it will become independent. Reuter

TUN MUSTAPHA TO RESIGN

KOTAKIMBALU, Malaysia, August 11.

TUN MUSTAPHA Harun, Chief Minister of the East Malaysian state of Sabah, said to-day that he intended to resign. He has been under attack from the newly-formed Opposition Berjaya Party which alleged that he was plotting Sabah's secession from Malaysia. Reuter

Cairo hears latest Israeli proposals

BY RICHARD JOHNS, MIDDLE EAST EDITOR

DIPLOMATIC moves designed to pave the way for the first visit by Dr. Henry Kissinger, U.S. Secretary of State, to the Middle East since March, and the clinching of a second Israeli-Egyptian disengagement agreement, were made yesterday.

In Cairo, Mr. Hermann Eilts, the American Ambassador, delivered the latest, revised Israeli proposals for a further military withdrawal to the end of the strategic passes in northern Sinai. At the same time, two senior Israeli officials flew to Washington to work on the draft of another interim agreement.

Dr. Kissinger said in Montreal last night, a decision would be made within 10 days on whether he will resume his Middle East shuttle. "The chances for a shuttle are better now than they have been," Dr. Kissinger said in an interview. UPI

Despite the generally bullish atmosphere and reports of the week-end, it would be a mistake to assume that a return trip on August 20 or thereabout by Dr. *Kissinger is a foregone conclusion.* From Washington the word has been that only a 90 per cent. expectation or virtual certainty of success would persuade him to make the journey and in itself the confounded optimism of last spring should make for caution.

Mr. Eilts first saw Mr. Ismail Fahmi, Egyptian Foreign *Minister, in Alexandria yesterday* before going to see President Sadat at his Mersa Matruh holiday villa on the Mediterranean coast.

President Sadat later held talks with his top advisers, probably aimed at shaping Egypt's response to the latest Israeli views on an interim peace accord, Reuter reported from Cairo. The meeting was attended by Vice-President Hosni *Mubarak, Prime Minister* Mamdouh Salem, Foreign Minister Ishmail Fahmi and War Minister General Mohammed Gamassi.

To-morrow Mr. Mordechai Gazit, Director-General of the Israeli Prime Minister's office, and Mr. Meir Roseb, legal adviser at the Foreign Ministry *in Jerusalem, will meet* Mr. Joseph Sisco, U.S. Assistant Secretary of State, to thrash out the detailed wording of a further military disengagement agreement.

Saudi council promise

CAIRO, August 11.

SAUDI Crown Prince Fahd said here to-day that a consultative council would be formed within two months to take part in running his country's affairs.

In an interview with the weekly political review Rose alYussef, Prince Fahd said that the council would be formed by selection. "We do not want to deceive ourselves. We all know the results of elections in the world at large . . . I do not think such elections reflect the true public opinion," he said. Reuter

Opposition in India 'has radio'

By Kevin Rafferty, Asia Correspondent

OPPONENTS of Mrs. Indira Gandhi, the Prime Minister of India, *claim they have been given* a shortwave radio transmitter, powerful enough to broadcast to the whole of India. The transmitter is at the moment "in a European country," but the underground opponents hope that it may be beaming messages to India within a few weeks.

A working radio station would be the most important weapon in the campaign against Mrs. *Gandhi's declaration of a State* of Emergency and crackdown on civil and constitutional liberties. *In a single* broadcast it could carry more propaganda to more areas and to the remotest stretches of country than dozens of newspapers could do.

Most villages in India to-day have at least one person with a radio set, and many of these can pick up shortwave broadcasts. By comparison, many places are outside the distribution network of even local language newspapers. In any case, more than 70 per *cent. of the people of India are* illiterate, so the power of the press is even more limited.

The major problem is where to set up the station. One group of opponents is pressing for it to be established outside India—an Indian Ocean island has been suggested—where it will be safe from Mrs. Gandhi's security forces. Another thinks it should be based in India and moved around from place to place.

Both alternatives present difficulties. It is unlikely that any neighbouring Government would grant permission for the opponents to set up a station to broadcast hostile propaganda to India.

THE BATTLE FOR ANGOLA

A recipe for chaos

BY OUR LUANDA CORRESPONDENT

TAKE a colonial territory rich in resources which the colonial power has exploited for centuries. Add a power struggle between rival liberation movements whose different tribal, regional and ideological backgrounds have led them to fight each other for years with as *much violence as they fought the* colonial power. Season with further power struggle at the capital of the colonial power itself. Bring to the boil with an unworkable independence agreement setting up a Utopian interim Government which events have made incapable of governing. Drain off the white population which controls the entire modern economy and represents *virtually all the skills.* Carve up anything that might be left over.

Only a year ago, Angola was a booming economy with excellent prospects for its future as an independent state. The remaining Portuguese African colonies have been handed over to independent Governments with almost no trouble either before or after their independence dates. But then, neither Mozambique, Guinea-Bissau, the Cape Verde islands nor Sao Tome were anything like the prize that Angola is. Whatever the Portuguese record, an effort had been made during the past 15 years of colonial rule to develop the territory and its agricultural, industrial and mineral resources. Few colonial territories inherited *a road network like Angola's,* the fruit of economic development as well as of strategic *necessity. Yet to-day, everything* is at a standstill.

While Portugal can be held responsible for permitting an unworkable transition system to be set up, the liberation movements must be held responsible for the present chaos. Few could have foreseen, admittedly, that the rivalry between the National Front for the Liberation of Angola (FNLA) and the Popular Movement for the Liberation of Angola (MPLA) would have been so bitter, and there was possibly too much reliance on the role of the National Union for the Total Independence of Angola (Unita) as a moderating influence.

The FNLA receives its main support from neighbouring Zaire and while its ideology is anti-Communist, it does have Chinese arms and instructors, although most of the armament seems to come from Western sources. The MPLA denies that it is marxist one senior government official, an MPLA supporter, said "we are a *nationalist* movement that has marxists in the leadership. We accept help from anyone, *and would accept help from the* devil himself. We have received much aid from Western as well as Communist sources." But their arms—pouring in almost unchecked for distribution to parliamentary cadres—are all from the Sovietbloc. Unita's ideology and source of support are harder to define. Its president Dr. Jonas Savimbi calls himself a moderate socialist, and most of his present support seems to come from within Angola itself where Unita dominates the Ovimbundu tribes of the Central Highlands—40 per cent. of the population. FNLA *draws its main support from the* northwest of Angola, and mainly among the Bakongo tribes, *while the MPLA's stronghold is* Luanda and its hinterland, with additional support in other *towns, including Novo Redondo,* Benguela and Cabinda.

The ink on the Alvor independence agreements *was hardly dry* before the power struggle began and erupted into violence, particularly in the suburban areas of Luanda. The violence continues despite seven attempted ceasefires, despite the conference at Nakuru, Kenya, chaired by President Jomo Kenyatta, and despite mediation attempts by the OAU.

After six months fighting with only brief respites, the FNLA controls the northwestern coffee region, with its President, Holden Roberto still personally in charge of its offensive. The MPLA is in overall control of the capital and its surrounding areas to the east and south, but with fighting still going on in the towns and road junctions straddling the main routes into Luanda. The MPLA claims it controls Porto Amboim, Novo Redondo, and Gabela, although much of the population of these towns has been evacuated. The FNLA claims it controls the town (but not the surroundings) of Malange, and Lucala. At the key road junction of Quibala, it is the Portuguese who seem to be in control.

During his recent fact-finding visit Admiral Rosa Coutinho of the Portuguese revolutionary council, the "Red Admiral" as he became known during his period as acting High Commissioner in Angola, was believed to have ordered High Commissioner General Silva Cardoso to send the Portuguese troops in Luanda to help halt the advance from Caxito. *This would have left the* MPLA forces in absolute control of the capital and the High *Commissioner refused, before leaving* for Lisbon for consultations. General Cardoso enjoys the *support of both the FNLA and Unita* who have protested against any attempt to recall him: they feel he has done what he can to maintain a strict neutrality in the present situation, while the MPLA have repeatedly charged him with bias against the MPLA and demanded his recall.

Under the Alvor agreement, the Portuguese High Commissioner can be replaced only with the agreement of all three movements. Last week saw a considerable escalation of the fighting, with Unita, hitherto uninvolved.

In many cases Unita was reported to be fighting beside the FNLA, and in others alone, and as the fighting develops there is continued speculation that an alliance between the FNLA and the Unita is the next logical step.

In Cabinda, following clashes between the FNLA and the MPLA there were further clashes between MPLA and Unita. (There were no reports of any involvement by FLEC, the breakaway Cabinda independence movement which last week declared Cabinda independent.) Unita troops were later reported to have been evacuated from Cabinda after *seeking refuge in the Portuguese* barracks. There were also clashes between the MPLA and *Unita on the southern border at* the Ruacana falls, as well as clashes between the FNLA and MPLA in *Mossamedes, a port in* the south of Angola, hitherto unaffected by the fighting.

Unita's president Dr. Savimbi, said that shots were fired at his private executive jet in the *central town of Silva Porto,* where he said that he would not tolerate the presence of MPLA's *"street soviets." But Unit's* biggest showdown with the MPLA was in Uganda, where the main Luanda offices came under attack. Unita subsequently abandoned this office and others in the city, and by the week-end high ranking Unita members were reported to have left the city.

Although Unita now seems to be committed to the fight, the main battle continues to be between the MPLA and the FNLA. And with the evacuation of Portuguese troops from the northern towns of Carmona and Negage, the FNLA seems to have general control of the north while the MPLA controls Luanda.

Over the week-end, shortly after MPLA issued a communiqué to say that the FNLA no longer had the right to take part in the transition government *after so many violations of the* independence agreements, the MPLA started an attack with mortars and machine guns against the residences of FNLA ministers, in the area immediately behind the Government palace in Luanda. The ministers and their retinues were evacuated on Saturday by Portuguese troops, the ministers remaining in Luanda under Portuguese protection, while their *retinues—guards mainly dressed* in civilian clothes—are to be sent by sea to the north Angolian port of Ambriz.

The upheaval is complete, with civilians running from the fighting and seeking refuge in Luanda or in the south, or even over the border in South-West Africa. Over 100,000 settlers have already left for Lisbon and plans are in hand to fly out up to 300,000 more before independence, *leaving less than 100,000 of Angola's* former white population of half a million.

The economy is in ruins. Strikes and urban unrest have paralysed the ports of Luanda and Lobito where ships may wait as long as four months to come alongside. Labour problems are endangering the coffee harvest which because of the climate was already expected to be less than 80 per cent. of last year's total of 220,000 tons. Factories are closing because of the shortage of labour and raw materials. The war makes it difficult to move goods along the roads—which added to the fuel shortage means *that Luanda will soon be facing* a really disastrous food shortage. It is a dismal prospect, and if the *administration does manage* to creak on it has only the oil exports from Cabinda to thank. *Although production* has been cut from about 150,000 barrels a day to about 130,000 b/d, the *oil revenue alone will provide* almost half of the 1975 budget of £496m.

Dr. Savimbi says that if Angola loses Cabinda the liberation movements will only have themselves to blame—and if there's one thing that all three movements agree upon, it is that Cabinda must remain a part of Angola.

MPLA LEFT IN CHARGE OF LUANDA

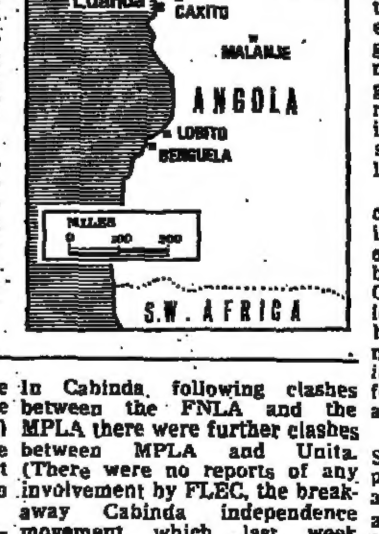
LUANDA, August 11.

THE NATIONAL Union for the Total Independence of Angola (Unita), to-day became the second liberation movement to pull its forces out of the Angolan capital in the face of attacks by the Popular Movement for the Liberation of Angola (MPLA).

A Unita spokesman, Sr. Medeiros, said that he was now the only Unita official left in Luanda and was himself about to leave for Nova Lisboa, 400 miles to the south-east, on which the union's forces were now concentrating. "We have been under attack in Luanda from the MPLA and our only hope is to concentrate on Nova Lisboa (Unita's political and administrative headquarters)," he said.

About 500 troops of the National Front for the Liberation of Angola (FNLA) had also been pulled out of Luanda after 10 hours of heavy fighting during the weekend, leaving several hundred holding out in a Luanda fort and about 450 others elsewhere in the city, according to a military spokesman.

FNLA ministers in the transitional Government—comprising the three liberation movements and the Portuguese authorities — were also evacuated from the city on Saturday, raising questions about the future of the Government. Reuter.



HOME NEWS

Record rush for winter holidays surprises agents

BY ARTHUR SANDLES

TRAVEL AGENTS are reporting a record rush to book winter sunshine, cruise, and ski holidays. The summer boom in holidays abroad surprised the industry, and it now seems that the buoyant state of the travel business will continue for some months at least.

However, although retailers and tour operators are delighted there is a measure of nervousness. "A large proportion of the market seems to be buying holidays out of savings, rather than out of income," said one operator. "We are concerned about the prospect of cancellations when the time for payment actually arrives."

Lunn Poly, a Thomson offshoot, said that "bookings for next winter are running at a record-breaking level of more than 90 per cent. in excess of the same period last year."

Thomas Cook (Midland Bank) said its bookings were well up on 1974.

Figures from Lunn Poly gave its parent, Thomson, a massive share of the market, but this is hardly surprising. Thomson is the biggest tour operator in the country and one of the first to bring out winter brochures. Lunn Poly says that Cosmos and Horizon Midlands are also booking well.

Surcharges

● The Civil Aviation Authority is cracking down on package-tour currency surcharges. It is moving towards a position in which last-minute surcharges for Britons going abroad would be outlawed.

Every tour operator in Britain has to hold a licence issued by the CAA, and the authority is likely to suggest this week that these operators should be more careful about invoicing. Its suggestions will be discussed by the tour operators.

At the moment some tour operators freeze the price two months before departure. Others collect extra charges until final check-in—and reserve the right to make a further surcharge during or after the holiday. The CAA is now saying that this practice will not be allowed in 1976.

Popularity of second homes in North Wales shown by census

THE NUMBER of people in Wales who were not at home on census night indicated the proportion of people owning second homes, says a report published to-day.

"In north-west Wales there was no-one present in 6 per cent. of 'occupied' dwellings, compared with 5 per cent. in central and south-west Wales and 1 per cent. in industrial south Wales," reveals the first bilingual census report on Wales.

"The marked variation of these percentages within Wales gives some indication of the incidence of second homes," says a summary by the Office of Population, Censuses and Surveys.

According to the census report for the period 1961 to 1971, 10 per cent. of people in Wales and 18 per cent. of those renting council houses were living in over-crowded homes, 13 per cent. of homes lacked a fixed bath or shower, and 19 per cent. did not have an inside flush toilet.

The number of homes in Wales increased from 804,000 in 1961 to 901,000 in 1971, an increase of 12 per cent., and 53 per cent. of homes in Wales had cars. Allowing for households with two or more cars, there were 63 cars per 100 households.

Wales had a slightly higher than average population of pensionable age. In 1971, 380,000 women aged 60 and over and 194,000 men aged 65 and over made up 17 per cent. of the population compared with 16 per cent. in Britain as a whole.

In 1971, Wales had 100 centenarians and 28 per cent. of the pensioners were aged 75 or over. Of the 466,000 pensioners, 317,000 (68 per cent.) lived in homes of one and two persons but a smaller proportion of pensioners in Wales lived alone than in Britain.

More City offices empty

BY JOHN TRAFFORD, PROPERTY EDITOR

FOR THE sixteenth consecutive month, the availability of office space in the City of London, Holborn, E.1 and S.E.1 has risen and now stands at 3,556,000 square feet, nearly six times the level of April 1974.

The continuing climb in the volume of empty offices is given to-day in figures published by the City property agents Richard Saunders and Partners.

Office lettings achieved in July were 200,000 square feet, the third lowest figure for the year but one that may have been depressed by the reduced activity of the holiday period. Only three of the eight postal districts covered—EC2, 3 and 4—recorded a decline, or no change in availability.

Since no new office developments are being undertaken in central London at the present time it might be expected that the availability figure would soon decline.

This, however, presupposes a continuing demand for more London office space which is by no means certain at present levels of rates and rents.

Office rents, Page 13

New Severn Bridge charge

REGULATIONS increasing the charges to be paid for removal, repair or adjustment of a broken-down or damaged vehicle from the Severn Bridge were laid before Parliament yesterday. The Regulations take effect in three weeks' time. They amend the Severn Bridge Regulations 1966.

The new charges will be £8 for the first half hour and £3 for each further half hour or part thereof.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on August 11, 1975. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	355.0(sg)
Afghanistan	Afghani	150 (A)
Albania	Lek	(O)10.10(A) (T)23-25(A)
Algeria	Dinar	(A)8.295(sg)
Andorra	French Franc	9.25½
	Spanish peseta	122.75
Angola	Ang. Escudo	55.80
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(cm) n.a. (fn) n.a.
Australia (S)	Australian $	1.6449
Austria	Schilling	38.35
Azores	Portug. Escudo	55.80
Bahamas (S)	Ba. Dollar	2.1031
Bangladesh (S)	Taka	28.95(sg)
Bahrain (S)	Dinar	0.850
Balearic Is.	Spa. Peseta	122.75
Barbados (S)	Barbados $	4.28455
Belgium	B. Franc	(cm) 80.70 (fn) 83.08
Belize	B$	4.0
Bermuda (S)	Bda. $	2.1025
Bhutan	Indian Rupee	18.5586(sg)
Bolivia	Bolivian Peso	42.05
Botswana (S)	S. A. Rand	1.4964
Brazil	Cruzeiro	17.55
Br. Solomon Is.(S)	Australian $	1.6449
Br. Virgin Is.(S)	U.S. $	2.1025
Brunei (S)	Brunei $	5.5075
Bulgaria	Lev	(O) 2.24 (T) 2.77
Burma	Kyat	(A)15.80(sg)
Burundi	Burundi Franc	168.85
Cambodia	Riel	n.a.
Cameroun Rp	C.F.A. Franc	461¾
Canada	Canadian $	2.1805
Canary Is.	Spanish Peseta	122.75
Cape Verde Is	Cape V Escudo	55.80
Cayman Is.(S)	Cay. I. $	1.7493
Cent. Af. Rp.	C.F.A. Franc	461¾
Chad	C.F.A. Franc	461¾
Chile	C. Escudo	(Bk) 12,191 (T) 12,612
China	Renminbi Yuan	4.0979
Colombia	C. Peso	(F)66.09
Comoro Is	C.F.A. Franc	461¾
Congo (B'ville)	C.F.A. Franc	461¾
Costa Rica	Colon	18.0815
Cuba	Cuban Peso	1.74254
Cyprus (S)	Cyprus £	0.8029
Czechoslov'kia	Koruna	(cm) 12.25 (n/c) 12.24 (T) 21.42
Dahomey	C.F.A. Franc	461¾
Denmark	Danish Krone	12.51½
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	2.1025
Ecuador	Sucre	(O)52.56 (F) 52.68
Egypt	Egyptian £	(O)0.8978155 (T)1.4956
Ethiopia	Ethiopian $	(P)4.3572
Eq'l Guinea	Peseta	122.75
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	12.51½
Fiji Is. (S)	Fiji $	1.7784
Finland	Markka	7.88
France	French Franc	9.25½
Fr. C'ty in Af ♦	C.F.A. Franc	461¾
Fr. Guiana	Local Franc	9.23½
Fr. Pac. Is.	C.F.P. Franc	167.91
Gabon	C.F.A. Franc	461¾
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	6(A)

Place and Local Units		Value of £ Sterling
Germany West	Deutschemark	5.44
Ghana (S)	Cedi	2.44
Gibraltar (S)	Gibraltar £	1.00
Gilbert & Ellice Is.(S)	Aust. Dollar	1.6449
Greece	Drachma	69.475
Greenland	Danish Kroner	12.51½
Grenada (S)	E. Caribbean $	4.80
Guadaloupe	Local Franc	9.25½
Guam	U.S. $	2.1025
Guatemala	Quetzal	2.1025
Guinea Rep.	Sily	n.a.
Guinea Bissau	♥♥	♥♥
Guyana (S)	Guyanese $	5.21
Haiti	Gourde	10.5125
Honduras Rep	Lempira	4.205
Hong Kong (S)	H.K. $	10.655
Hungary	Forint	(com) 104.41 (non)(T)48.07
Iceland (S)	I. Krona	349.30
India (S)	Ind. Rupee	18.5586(sg)
Indonesia	Rupiah	872.5575
Iran	Rial	(A)140.0
Iraq	Iraq Dinar	0.6275
Irish Rep	Irish £	1.00
Israel	Israel £	15.2194
Italy	Lira	1,410½
Ivory Coast	C.F.A. Franc	461¾
Jamaica (S)	Jamaica Dollar	1.9109
Japan	Yen	627
Jordan (S)	Jdn. Dinar	0.670(sg)
Kenya (S)	Ken. Shilling	15.0235
Korea (Nth)	Won	n.a.(g)
Korea (Sth)	Won	1,017.37
Kuwait (S)	Kuwait Dinar	0.610
Laos	Kip	n.a.
Lebanon	Lebanese £	4.725
Lesotho	S. African Rand	1.4964
Liberia	Liberian $	2.1025
Libya	Libyan Dinar	(P)0.6224
Liecht'stein	Swiss Franc	5.65½
Luxembourg	Lux Franc	80.70
Macao	Pataca	12.7325
Madeira	Portug'se escudo	55.80
Malagasy Rp.	MG Franc	461¾
Malawi (S)	Kwacha	1.8656
Malaysia (S)	Malaysian $	5.2960
Maldive Is.(S)	Mal Rupee	n.a.
Mali Rp.	Mali Franc	923.5
Malta (S)	Maltese £	0.83175
Martinique	Local Franc	9.25½
Mauritania	Ouguiya	♦
Mauritius (S)	M Rupee	15.55
Mexico	Mexican Peso	26.25
Miquelon	C.F.A. Franc	461¾
Monaco	French Franc	9.23½
Mongolia	Tugrik	(O) n.a. (g) (T) n.a.
Montserrat	E Caribbean	4.80
Morocco	Dirham	8.45 (sg)
Mozambique	Moz. Escudo	55.80
Nauru Is.	Aust. Dollar	1.6449
Nepal	Nepalese Rupee	24.40
Netherland	Guilder	5.56¼
Neth. Antilles	Antillian Guild	3.7635
New Hebrides	Franc	149.25
	Austl. Dollar	1.6449
N. Zealand (S)	N.Z. Dollar	1.9748(y)
Nicaragua	Cordoba	14.77
Niger Rp	C.F.A. Franc	461¾
Nigeria (S)	Naira	1.40237(sg)
Norway	Nrwg Krone	11.52¼
Oman Sultanate of (S)	Rial Omani	0.728
Pakistan (S)	Pkst. Rupee	20.45(sg)
Panama	Balboa	2.1025
Panama Canal Zone	U.S. $	2.1025
Papua N.G.(S)	Aust. Dollar	1.6449

Place and Local Unit		Value of £ Sterling
Paraguay	Guarani	262.52
P'pl's D. Rp. of Yemen (S)	S. Yemen Dinar	(A)0.75
Peru	Sol	(ex/c)A81.57 (A)81.55*
Philippines	Ph. Peso	15.7925
Pitcairn Is.(S)	£ Sterling / New Zealand $	1.9748 (y)
Poland	Zloty	(Bas)41.00 (T)70.00
Portugal	Pgse Escudo	55.80
Port Timor	Timor Escudo	55.80
Principe Isle	♥♥	♥♥
Puerto Rico	U.S. $	2.1025
Qatar (S)	Qatar Ryal	8.48
Reunion, Ile de la	French Franc	9.25½
Rhodesia	Pound ●●	n.a.
Romania	Leu	(cm)10.64 (n/c)T.25.88
Rwanda	Rwanda Franc	215.82
St. Christopher (S)	E. Caribbean $	4.80
St. Helena (S)	£ Sterling	
St. Lucia (S)	E. Caribbean $	4.80
St. Pierre	C.F.A. Franc	461¾
St. Vincent (S)	E. Caribbean $	4.80
Salvador El	Colon	5.26
Samoa (Am)	U.S. $	2.1025
San Marino	Italian Lira	1,410½
Sao Tome	♥♥	♥♥
Saudi Arabia	Ryal	7.325
Senegal	C.F.A. Franc	461¾
Seychelles	S. Rupee	15.55
Sierra Leone (S)	Leone	2.0
Singapore (S)	Singapore $	5.2845
Somali Rep.	Som Shilling	(A)14.68(sg)
Sth. Africa (S)	Rand	1.4964
S. W. Africa Territories (S)	S. A. Rand	1.4964
Spain	Peseta	122.75
Span. Ports in North Africa	Peseta	122.75
Sri Lanka (S)	S. L. Rupee	15.5688(sg)♦♦
Sudan Rp.	Sudan £	(A)0.735(sg)
Surinam	S. Guilder	3.7635
Swaziland (S)	Lilangeni	1.4964
Sweden	S. Krona	9.08¼
Switzerland	Swiss Franc	5.65½
Syria	Syria £	(A)7.80(sg)
Taiwan	New Taiwan $	(P)79.895
Tanzania (S)	Tan. Shilling	14.98
Thailand	Baht	42.0925
Togo Rp.	C.F.A. Franc	461¾
Tonga Is. (S)	Pa'anga	1.5785
Trinidad (S)	Trin. & Tobago	4.80
Tunisia	Tunisian Dinar	0.860(sg)
Turkey	Turkish Lira	31.052(sg)
Turks & Caicos	U.S. $	2.1025
Uganda (S)	Ug. Shilling	14.9925
Utd. States	U.S. Dollar	2.1025
Uruguay	Uruguay Peso	(cm)6.19 (fn)4.86
Un'd A'b Emis	U.A.E. Dirham	8.315
U.S.S.R.	Rouble	1.58
Upper Volta	C.F.A. Franc	461¾
Vatican	Italian Lira	1,410½
Venezuela	Bolivar	9.00(x)
Vietnam (Nth)	Dong	(O)n.a.(g) (T)n.a.(g)
Vietnam (Sth)	Piastre	n.a.
Virgin Is. U.S.	U.S. Dollar	2.1025
Western Samoa (S)	Samoan Tala	1.2548
Yemen	Ryal	9.50(ag)
Yugoslavia	New Y Dinar	37.3535
Zaire Rp.	Zaire	1.05225
Zambia (S)	Kwacha	1.3514

♦ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

♦♦ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.

●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the Independent regime on February 17, 1970. Recent reports suggest a rate of about 1.29 Rh. dollars to £1.

♦ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs.5 to one unit of the new currency.

(x) General rate; oil and iron exports $.8305.

(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.225 Russian roubles, the North Vietnam dong at 0.306 roubles, and the North Korean won at 0.7493 roubles. With the pound standing at 1.59 roubles, the following relationships could be calculated for the pound: £1=6.88 tugriks; £1=5.12 dongs; £1=210 won.

♥♥ Information not available for this edition.

* Rate is the Transfer market (controlled).

** Rate now based on 2 Barbados $ to the dollar.

(y) Following 15 per cent. depreciation.

Nixon to face Frost interview

BY ARTHUR SANDLES

THE BRITISH interviewer David Frost is the chosen vehicle for former U.S. President Richard Nixon's televisual reminiscences. Mr. Frost is to conduct a six-hour television interview with Mr. Nixon for transmission world-wide after the 1976 American presidential campaign. Mr. Nixon does not want to interfere with the election.

Although much is being made of the contract, very little has emerged about the small print. The Frost camp says that money has been put up by international sources, which appear to be heavily British. Since Mr. Nixon has already rejected £300,000 offers for his story, a sum of about £500,000 would seem likely.

The arrangement is a considerable coup for Mr. Frost and is potentially the interview of the decade. There may be some suggestions from cynical competitors that he was chosen because his interview style has lost its edge, particularly compared with the current abrasive techniques of American TV.

Nevertheless, Mr. Frost insists that the former President has contracted to answer all questions, including those on Watergate. "I should like to make it clear that the former President has neither requested nor has he received any editorial control. No subject, including Watergate, has been barred."

Asked why Mr. Nixon had broken his self-imposed silence, Mr. Frost expressed the view that the ex-President was ready to start reflecting on his life and times, achievements and mistakes. "I think he is ready to start talking about them candidly."

It is an open secret that the two major TV networks in the U.S., CBS and NBC, backed out of negotiations because of the restrictions placed on programmes by Mr. Nixon.

Mr. Frost clinched the deal after more than five hours of negotiations. Afterwards he said of Mr. Nixon: "I was astonished by how physically well he was. He led us on a very strenuous tour of his house. It was a total contradiction of the ailing image."

Eventually, the interview will take the form of four 90-minute programmes. According to Mr. Frost, roughly a quarter of the time will be devoted to Watergate.

Clearly, the programmes will have massive international demand, but pricing them is difficult. Given the right marketing and the right content, they could sell for a seven figure sum in the U.S. In the U.K. £20,000 an hour is probably the top limit, and that would normally only apply to high-rating light entertainment.

Scottish Daily News secretary resigns

BY CHRIS BAUR, SCOTTISH CORRESPONDENT IN EDINBURGH

THE THREE - MONTH - OLD workers' co-operative which is running the Scottish Daily News in Glasgow was yesterday shaken by the resignation of its second senior management representative within a week.

The company is now losing its secretary and financial controller Mr. Ian M. Bain, who took the post in June having returned to Scotland from Canada where he was employed by IBM.

Mr. Bain said he had decided to quit because his position was incompatible with last week's decision by the workers to hand over executive authority for the paper's circulation and advertising to Mr. Robert Maxwell, chairman of Pergamon Press publishing company.

He said: "I have had two major disagreements on policy matters with Mr. Maxwell. These have centred on the paper's pricing policy and the manner in which that policy was obtained."

Mr. Bain disagreed with last week's announcement that the SDN's price would be reduced by 1p to 5p when it re-launches itself as a tabloid publication next Monday. He added: "Mr. Maxwell is taking a big, big gamble. I understand why he has done it. I think he is wrong."

The paper will lose an income of about £9,000 a week as a result of the price cut if its dwindling sales do not recover and increase beyond the 151,000 a day average which has been certified for its first 10 weeks of publication.

Mr. Bain's departure follows that of the general manager Mr. Eric Tough. He announced last week that the works council's majority vote to give "overlord" responsibilities to Mr. Maxwell, effectively filled the vacancy for a general manager. Mr. Tough is returning to his position with PA Management Consultants from whom he was on secondment.

On Thursday, Mr. Maxwell is due to announce further details of his plans for the SDN, in which he has invested £114,000. He has already stated that it must increase its sales to 250,000 by the end of the year and double its advertising content from the present level of about 20 per cent.

Slater Walker set to move London headquarters

SLATER Walker Securities, the parent company of the investment banking group run by Mr. Jim Slater, is to move its headquarters from St. Paul's Churchyard, to Oyez House in Fetter Lane, London, E.C.4.

In a deal announced yesterday, Slater Walker is leasing 76,500 square feet of its present headquarters at Petershill House, 30, St. Paul's Churchyard, to the chartered accountants Deloitte and Co. together with adjoining properties occupied by SWS.

Completion will take place in the second half of 1976. Until then SWS is making available 23,800 square feet in Petershill House and in 114-126, Queen Victoria Street. Slater Walker Limited, the wholly-owned banking subsidiary of SWS, will continue to operate from the ground floor of Petershill House.

SWS is converting Oyez House in Fetter Lane, a property which it bought from the Law Society and on which it obtained an office development permit allowing a change of use of the part previously used as a factory into offices. When the work is completed, one 50,000 square foot office will be placed on the lettings market and the other office refurbishment, also of about 50,000 square feet, will become the new SWS headquarters. SWS expects to move in September, 1976.

Deloittes will continue to occupy 128, Queen Victoria Street, next to Petershill House. When the latter is vacated the accountancy firm will have 141,000 square feet of office space in the two buildings.

Brands Hatch may be sold in £2m. circuits deal

BY NICHOLAS LESLIE

FOUR MOTOR racing circuits, including Brands Hatch, may soon be sold by Grovewood Securities.

If the deal goes through—and Grovewood chairman, Mr. John Danny, thinks the chances of completing the sale are "maybe slightly more than 50-50"—the price paid would be about £2m.

Grovewood, which was recently taken over by Eagle Star insurance after the Monopolies Commission had cleared the deal, has owned Brands Hatch for about 14 years. It has owned the other three circuits—Oulton Park, near Chester, Snetterton, near Norwich and Mallory Park, close to Leicester, for a slightly shorter time.

Mr. Danny would not disclose who the likely buyer was, but said "I suppose it is a consortium." The potential buyer was not connected with racing at present.

The deal should be settled one way or the other within a fortnight. If it went through, there would be a clause in the sale contract to ensure the future of racing at the four circuits.

Mr. Danny said that a buyer for the circuits had not been sought. Apart from a small housing development at Mallory Park, there was no development permission at any of the circuits and he did not think it would be very easy to get such permission.

Last year, the racing circuits contributed £180,000 to Grovewood's profits.

Derailed trains still block Dutton Viaduct

BRITISH RAIL maintenance engineers were still trying yesterday to clear the lines between Scotland and London which have been blocked for five days after the derailment of two freight trains at Dutton Viaduct, Cheshire.

A BR spokesman at Liverpool said caustic soda was still oozing from some of the derailed tankers and maintenance workers had to wear goggles and protective clothing. Some services, he said, would be resumed on the main line at mid-day to-day.

TYNE PORT FEES TO RISE AGAIN

Port of Tyne Authority is raising some of its charges from September 1 to meet increased operating costs, mainly higher wages.

Cargo-handling charges at Tyne Dock and Albert Edward Dock, increased by 25 per cent. at the beginning of the year, will go up by another 25 per cent. Charges for stevedoring at Newcastle Quay, which the authority took over from a private employer in March will go up by 20 per cent.

Last year, the PTA had a deficit of £98,000 after a surplus of £194,000 in 1973.

Something to grouse about on the 12th

BY MICHAEL THOMPSON-NOEL

CRISES may come and sterling hobble downwards, but the Glorious Twelfth — traditional start to the grouse-shooting season — has wheeled round again, as fixed and stable as the calendar.

This morning the beaters, the flankers and the dogs will be out; the silly grouse will start hurtling around at 70 mph, and by this evening the slowest and the unluckiest will be on the table at the Savoy, served on toast and surmounted by their own liver pâté.

But out on the moors, things are looking grim. On many estates the shooting prospects range from moderate to bad — the result of poor weather and disease — while in the market for sporting property, prices have caught a very bad cold.

The collapse in agricultural and sporting land values started with the Yom Kippur War, but has become much worse since. At the height of the great land boom in mid-1973, grouse moors in Scotland were fetching the equivalent of at least £1,000 per brace (sporting values are expressed in terms of the bag, not the acreage) and freehold salmon fishing rights at least £1,000 per salmon.

Deer forests — available at around £150 per stag 18 to 20 years ago—were fetching £10,000 and even £25,000 per stag.

All that has changed. Mr. Sam Goodenough, an expert at Knight Frank and Rutley, reckons that values in Scotland have declined to the point where grouse moors are now commanding only £300 to £500 per brace, salmon fishing rights about £500 per salmon, and deer forests under £5,000—perhaps £3,000—per stag.

"Grouse moors are difficult," says Mr. Goodenough. "Very few of any quality have come on to the market so there is little firm evidence regarding price. But there is, you might say, a shortage of buyers. The Stock Market, high personal income-tax, CGT, fears of a wealth tax . . . almost nobody's buying."

Mr. Brian Keatley, a partner at Humbert, Flint, Rawlence and Squarey, says of the grouse situation: "If you want a day's shooting you can have it—at the drop of a hat."

Shooting on the Yorkshire moors will cost around £1,000 a day for a party of nine guns and a bag of 70-120 brace. For that you get the services of the keeper and the beaters. You also get drinks but supply your own lunch. Two years ago, a day's shooting like that would have cost £2,000.

The silly grouse hurtle around at 70 m.p.h.

According to Mr. Keatley: "Conditions at the moment aren't very good. The hot weather is bad for the grouse. They're sitting very tight and the dogs will walk over them. Better wait until September."

One of many indications that the boom days are gone was the closure, earlier this year, of the Seafield Sporting Club venture based at Cullen in Banffshire.

The Seafield family estates stretch over much of Banffshire, Inverness-shire and Morayshire, and the Sporting Club venture offered guests facilities for salmon and sea trout, grouse, pheasant and partridge, capercailzie, roe deer and red deer, wood pigeon and duck.

The shooting is still being let. Mr. Hugh Blakeney, Lord Seafield's factor at the Grantown-on-Spey end of the estates (the four Seafield grouse moors yield an average of 1,400 brace annually) says charges range from £20 to £150 per gun per day.

More than half the clients are foreign — American, Belgian, French, Spanish and Italian. They can fly in by private jet to —

And the shooting? The prospects are not good. On many Scottish estates the heather beetle has been at work, while snows in June, the drought of the past six weeks and disease among the birds have all taken a toll.

Among establishments in London that will be serving grouse to-night are the Savoy, the Dorchester and the Connaught Hotel, each with its own notions of how best to serve the dish. "The price," said the Connaught enigmatically, "has still to be arranged."

GLC to cut staff but figures have yet to be agreed

BY STEWART DALBY

THE Greater London Council is to reduce its workforce as part of its programme to cut spending, but a spokesman strongly denied yesterday that any figure for the cuts has yet been agreed.

The denial follows a report that a confidential document is being circulated to department heads suggesting that a 10 per cent. cut in staff might be necessary. This would mean, the report said, the loss of 1,600 jobs.

On an across-the-board basis, 766 members of the London Fire Brigade would lose their jobs, 280 would be cut from the 3,861-strong architects department, and there would be reductions of 170 and 91 in the supplies and housing departments respectively.

While admitting that department heads have been told that cuts will be needed, a County Hall statement said yesterday that "some redundancies should be expected but it is not possible to say how many jobs will be lost. It is hoped that the cuts will arise as a result of natural wastage such as retirement and staff moves."

County Hall said that the author of the confidential report, Mr. Douglas Mitchell, the controller of personnel and administrative services realised that it was unrealistic to expect that 10 per cent. of the staff could be cut from every department.

The report, which could cause a row within the Labour group which controls the GLC, was drawn up, according to the Council, as a "preparatory gesture for the politicians to consider" although "it would be wrong to take the figures quoted as accurate."

As an interim measure, department heads have been asked not to hire any new staff. The report is to be debated by the Council next month. The report and the consideration of cutbacks was in line with last week's statement by the Secretary of the Environment, Mr. Anthony Crosland, about savings in the GLC spending.

HOME NEWS

MP to query Post Office orders as GEC sacks 570

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE DEPARTMENT of Industry is being asked for an explanation of the Post Office's purchasing policy, after a decision by GEC telecommunications to pay off about 570 employees from its two Scottish factories because of dwindling orders for telephone exchange equipment.

The two factories, at Kirkcaldy and Glenrothes New Town, in Fife, are almost wholly dependent on Post Office orders for cross-bar exchange equipment. The company says it has not received an order for the past six months.

It has decided therefore that about 570 of its 3,200 employees will be made redundant later this month. The redundancies, the largest to affect Fife industry during the current recession, involve mostly women employees. About 240 of those losing their jobs are part-time or evening shift employees.

The company said that the cut followed the latest review of purchasing carried out by the Post Office and published in July. This indicated a 30 per cent. reduction in orders this year compared with last.

The spokesman said that the Scottish factories were the only ones so far affected by the "serious problem" posed for the exchange equipment industry by declining Post Office purchases. The situation at GEC factories in Coventry and Aycliffe, Co. Durham, was being reviewed, though these factories might be helped by having a more diversified product mix than was the case in Scotland.

More than 1,000 workers from both Fife factories held a demonstration in Glenrothes yesterday to protest at the sackings. They met local Labour MP Mr. William Hamilton (Central Fife), who said he was writing to Mr. Eric Varley, Secretary for Industry, asking which Government Department had given orders to cut Post Office investments.

"When I find out," he told the demonstrators, "I will ask for this order to be rescinded. It seems absolute madness to me that when the efficiency of the Post Office is the subject of criticism, it should now cut back on its investments."

Glenrothes Development Corporation is likely to ask other companies about opportunities for absorbing redundant GEC personnel. It has already received a tentative offer of temporary employment for about 100 women from Thomas Slater, the toymakers.

The Post Office said it was scaling down its forward ordering of equipment in line with the current decline in demand. It was in discussion with the main suppliers—GEC, Plessey and STC—but would not confirm GEC's estimate that its ordering was being cut by 30 per cent.

The Post Office spokesman added that between February and July this year orders worth £1.7m. had been placed with GEC. It is also understood that further orders, possibly amounting to several million pounds, are in prospect, though the precise amount will depend on talks now in progress.

Mining accidents down 14%

By Lorne Barling

THE NUMBER of miners killed and seriously hurt last year fell by nearly 14 per cent. compared with 1973 but the Chief Inspector of Mines said yesterday there was no room for complacency as in ten years the overall accident rate had improved by less than 14 per cent.

A total of 48 miners were killed and 497 seriously hurt during last year, the lowest number of reportable accidents in the history of coal mining in this country, the Inspector, Mr. J. W. Calder, said in his report on 1974.

This continued the downward trend established some 20 years ago which was, unfortunately, halted temporarily last year by the accidents resulting from three major incidents. The 13.9 per cent. reduction had to be viewed against the background of the four-week strike.

"A more realistic indication is the accident rate per 100,000 manshifts. Over the last ten years, the total accident rate has improved only 13.8 per cent. from 1.30 in 1965 to 1.12 this year—a grim reminder that there is no room for complacency," the report said.

There had been a dramatic increase in the number of surface accidents, with fatal accidents almost doubled compared with 1973. Mr. Calder said the situation called for immediate action.

The Report of H.M. Chief Inspector of Mines and Quarries for 1974; SO, £1.35.

Ford Escort is Britain's most popular car

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE NEW Ford Escort is now clearly established at the best-selling car in Britain. In the four full months since the end of March it has been well clear at the top of the sales chart.

Last month, when recorded new car registrations were the lowest for any July since 1969, and the worst for any single months since November, 1969, Escort sales were 5,050, according to statistics issued yesterday by the Society of Motor Manufacturers and Traders.

Although registrations of the old version of the model dropped sharply in the early months of the year, total Escort sales in 1975 now stand at 55,432, only a little short of last year's total up to the end of July of 57,050.

Of the new models introduced to the U.K. market this year, British Leyland's 18-22 series is making the swiftest progress. So far this year BL has sold even more 18-22s than in 1974—17,760 against 15,280. This is an unusual achievement for any model in the present climate, but even more so in the large car sector.

The new Vauxhall Chevette, designed to give the company a wider spread over the market, has so far managed to make up for the loss of sales in the Viva and Victor range. Up to the end of July 7,440 Chevettes had been sold, with the company's market share rising slightly to 7.44 per cent.

Datsun Sunny

Among the imported models, which took 32.62 of the market in July, only the Datsun Sunny has remained consistently in the top ten best-selling cars. It has achieved a striking increase in sales over last year—up from 6,780 to 18,510—as the company has cut back on imports of its more expensive range to concentrate on sales of smaller models.

The trend towards mini cars and small family saloons is clearly seen in the figures so far this year. For example, registrations of the Renault 5, the Opel Kadett, the Alfasud, the small Peugeots, Datsuns and Toyotas, have all gone up substantially this year. The VW Golf, introduced early this year, has already chalked up sales of 10,800.

Even among the specialist marques, the trend towards smaller engined models is marked. Mercedes, for example, has pushed up its market share this year from 0.33 to 0.41 by concentrating on its "compact" range, rather than the S Class and SL models.

BMW has also increased market share (from 0.43 to 0.56) through stepping up sales of the 1602-2000 and the "5" Series range.

U.K. CAR REGISTRATIONS

	July		July		7 months ended July			
	1975	%	1974	%	1975	%	1974	%
British Leyland	17,949	31.28	18,603	28.22	227,908	32.07	250.149	33.65
Ford	11,064	19.28	20,031	30.38	144,156	20.28	180.860	24.33
Chrysler	4,893	8.53	5,719	8.67	52,425	7.38	70,130	9.43
Vauxhall	4,607	8.03	4,764	7.23	52,875	7.44	52,883	7.11
Total British	38,662	67.38	49,376	74.89	479,832	67.51	557.316	74.97
Renault	3,022	5.27	3,080	4.67	35,143	4.94	31,875	4.29
Datsun	3,236	5.64	2,145	3.25	42,211	5.94	25,979	3.49
VW-Audi	1,764	3.07	1,757	2.67	26,724	3.76	20,428	2.75
Fiat	1,703	2.97	2,542	3.86	21,720	3.06	25,583	3.44
Total imports	18,716	32.62	16,552	25.11	230,882	32.49	186,024	25.03
Total	57,378	100.00	65,928	100.00	710,714	100.00	743,337	100.00

Hull trawler group to shut fish factory

BY STEWART DALBY

BRITAIN'S TROUBLED fishing industry sustained another blow yesterday when the Hull-based Thomas Hamling trawler group announced that 150 people will lose their jobs when the Finbarr fish processing company stops trading later this month.

The announcement said "the closure is the result of the general recession in the industry. There could be many more redundancies. Hull fish dock is now a depressed area."

Like other trawling companies, Thomas Hamling is feeling the effects of sharply increased costs—trawling is particularly being affected by higher fuel prices—and an unexpected reduction in demand.

The industry has been especially hard hit by the increased stocks in the U.S., a major market. With demand falling, a number of trawling companies have reduced their fleets. According to an official of the British Trawlers Federation, more than 40 Humber-based distant trawlers have been laid up since the beginning of the year.

"The processing company was closed because it has the least viable part of the business," said a spokesman. In times of recession small concerns could not compete with big operators like Birds Eye in the expensive frozen food end market of the fish industry.

It would be a "mistake" to connect the closure of Finbarrs too directly with the well being of Hamling's as a whole, he added. But he conceded that Hamling's, which be described as a "middle range" trawling company, was having its problems, like other trawling concerns.

BBC to use new symbols in weather forecasts

BY ARTHUR SANDLES

THE BBC is to introduce new symbols in its television weather forecasts.

"Millions watch the weather forecast and a large majority do not understand it," the Corporation said last night.

From August 16, some of the esoteric symbolism will be replaced by little yellow suns and blue drops of rain. Plastic polystyrene clouds will scud across the BBC studio sky to demonstrate the likelihood of overcast weather in the forthcoming 24 hours.

The head of London's weather centre, Mr. David Houghton, said: "this is a child's guide to the weather. We get a large postbag of letters asking us what all the symbols mean. Now people should be able to understand it immediately."

The hope was also expressed that newspapers would follow the BBC's example.

Mrs. Barbara Edwards, one of the Corporation's forecasters, felt it would make things "a lot easier for the public to understand."

She did think that perhaps "a handful of clouds with raindrops underneath might be a bit difficult to handle," but that the announcers would get used to the idea.

The designer of the new symbols is Mr. Mark Allen, aged 22. "I thought the graphic way the BBC presented the weather was ludicrous," he said.

Grimond worried over North Sea oil safety

MR. J. GRIMOND, MP for Orkney and Shetland, has asked the Prime Minister—who is in ultimate control in any North Sea accident involving oil.

In a letter to Mr. Wilson Mr. Grimond says he is particularly concerned about incidents causing danger to shipping, fishing or involving pollution. "Certainly there is a serious danger of pollution, either from the wells or fractures in the pipes or accidents to tankers. There may be also dangers from wrecks and indeed from rigs and platforms."

Unlike a fire in a town where fire services can take charge, North Sea oil emergencies, he says, involve police, coastguard, the Scottish Office, various Government departments and the oil companies themselves. Speedy deployment of all concerned is absolutely essential "but more important there must be no doubt whatsoever about who is in ultimate control," says Mr. Grimond.

HOME CONTRACTS

Wight Construction's £4m. work in Scotland

WIGHT CONSTRUCTION, Polmont, Stirlingshire, has received contracts totalling £4,091,000. They are to construct the new St. Ambrose R.C. high school at Coatbridge for Strathclyde Regional Council valued at £908,000, also 262 houses at Bellshill for Motherwell District Council for £2,170,000 and 51 houses at Uddingston for Hamilton District Council worth £595,000. For Strathclyde Regional Council they are to carry out earthworks and landscaping in the rehabilitation of Castlehill Colliery, Carluke, valued at £103,000 and for Tayside Regional Council will execute road improvement works on the A823 at Glendevon worth £315,000.

★

JOHNSTONE CONSTRUCTION has successfully tendered, at £1,857,426, for construction of a two-mile stretch of the new A66 trunk road near Keswick. Work will start shortly, and completion is expected in about two years.

★

COMFORT SYSTEMS (SCOTLAND) is to carry out plumbing and heating installations in 456 dwellings owned by Inverclyde District Council under a contract valued at more than £575,000.

MPs object to Palestine observers at conference

BY PHILIP RAWSTORNE

IN SPITE of objections from MPs, Mr. Roy Jenkins, Home Secretary, is expected to allow representatives of the Palestine National Council, the political wing of the Palestine Liberation Organisation, into Britain to attend a conference next month of the Inter-Parliamentary Union.

Mr. Eric Moonman, Labour MP for Basildon and one of the sponsors of a Commons motion condemning the visit, which has been signed by 100 MPs, saw Mr. Jenkins at his moe yesterday to urge exclusion of the Palestinians who have been invited to the IPU conference as observers.

The Home Secretary said he would consider Mr. Moonman's complaints, together with those of other MPs, and give his reply soon.

But it appears unlikely that, since the PNC has been given observer status at the United Nations and the IPU conference is an international gathering, Mr. Jenkins will withdraw the visas already granted to two of the Palestinian delegation or refuse the application from a third member. The other PNC representative already works in London at the offices of the Arab League.

First rail freight handling grant made

FINANCIAL TIMES REPORTER

THE GOVERNMENT is to make its first grant to a private company for rail freight handling facilities. But it was claimed that industry's response to the provision in the 1974 Railways Act offering grants to encourage development of private sidings so goods could go by rail rather than road had been "disappointing."

Dr. John Gilbert, the Transport Minister, announced yesterday that a grant of £200,000 is to be paid to Containerbase (Liverpool) towards re-equipping a railhead depot at Aintree, Liverpool.

The grant will ensure the continued operation and indeed expansion of the railhead. Useful environmental benefits will result as containerised traffic will go by rail rather than by lorry through congested areas of the city.

Ten other formal applications are at present under consideration. "Although the response so far to the availability of grant is disappointing, it is inevitable that applications from industry require careful consideration and time to prepare," the Environment Department stated.

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LABOUR NEWS

Fire chiefs meet Home Office officials to-day

BY LORELIES OLSLAGER, LABOUR STAFF

FIRE service employers and union leaders are meeting senior Home Office officials to-day following a warning yesterday from London fire chiefs that they could no longer cope with emergencies because of firemen's industrial action. Police were called in to help deal with emergencies.

London is by far the worst hit by the Fire Brigades Union's campaign, which was stepped up drastically last week after three months of comparatively mild sanctions.

Around 130 of the capital's 300 fire engines were out of service at various stages yesterday, and 23 out of the 116 fire stations were not functioning either because there was not a full complement of men on duty or because there was no properly qualified supervising grade.

As a result, Mr. Joseph Milner, London's fire chief, asked the police to respond to fire calls in areas where local fire stations were closed and to send in their assessment of the situation.

If the police felt fire engines were required, then they would be rushed in from the nearest available station.

Jeopardised

Mr. Milner said as a result of the firemen's action, "large areas of London are now completely uncovered" and public safety was being jeopardised.

A spokesman for the employers said London was obviously suffering from the cumulative effects of the firemen's campaign, which is designed to press a demand for early moves towards a 40-hour week.

The union is also seeking a commitment from the employers that they will pay the full £6-a-week wage increase allowed under the Government's new pay policy from next November, when the next annual pay agreement is due.

The union's 11-point campaign plan instructs firemen not to take any action on defective appliances, the spokesman said. In London, the men were carrying this to the point of refusing to operate appliances that had been mended.

In the talks at the Home Office to-day, Sir Arthur Petersen, the Permanent Under-Secretary, is expected to propose an independent Home Office inquiry into the dispute.

London weighting talks to be tough

BY JOHN ELLIOTT, LABOUR EDITOR

UNION LEADERS face a round of tough negotiations with public sector employers over London weighting pay increases following a meeting yesterday of employers' negotiators who are generally worried about the cost of the rises.

Individual negotiations will now start during the next few days between employers and unions representing London-employed civil servants, Post Office workers, local council staffs and many others such as BBC staff, waterworks employees and airline personnel.

The unions will be demanding rises of up to 20 per cent. on London weighting payments which now range up to about £400 a year. These demands follow a Department of Employment report on increases in the cost of living in the London area over the past year. They have been cleared for payment by the Government under its White Paper pay policy providing they were due to be paid before the August 1 starting date of the policy. After that date, they must be offset against the new £6 a week pay limit.

The pace makers in the negotiations will be civil servants whose employer, the Civil Service Department, showed little interest at yesterday's employers' meeting of spearheading a total refusal to pay the rises. Its spokesman saw arbitration as the only alternative to paying the rises immediately.

This means that local council employers, who are the least anxious to pay up because of the local councils' ailing finances, may have to make the running in taking a tough line with their staff unions.

In all cases, however, the unions involved will meet some resistance and some employers may decide, along the lines envisaged by the Civil Service Department, to go to arbitration.

Elections

The main problem, however, is that some groups have already awarded increases in line with the Department of Employment's report and this will mean that other group's will have to do the same. It was reported at yesterday's employers' meeting, for example, that the Independent Broadcasting Authority had already reached an agreement with its staff which would have a spin-off effect in the BBC while airlines and airport employers were also on the brink of reaching agreements.

The TUC's local government committee is to seek a meeting with Mr. Anthony Crosland, the Environment Secretary, to press for speedy agreement which would allow local Government employees to stand in local authority elections. The TUC had thought agreement was near earlier in the year, but the Government has since then delayed a final decision.

Observer manning dispute unresolved

By John Wyles

Exploratory talks involving management and unions at the Observer with Advisory, Conciliation and Arbitration Service officials failed yesterday to hold out the prospect of an early settlement of the manning dispute which halted publication on Sunday.

Both sides were last night considering points discussed at yesterday's meetings but the management's refusal to withdraw some 200 compulsory redundancy notices issues last Monday emerged as a major obstacle to the development of any peace bid by ACAS.

The Observer is insisting that, failing a voluntary agreement, the reductions in manning, averaging 30 per cent. are vital toensure its future in the face of a projected loss for the year of £750,000.

Strongest opposition to the notices is still coming from the Society of Graphical and Allied Trades and the National Society of Operative Printers, Graphical and Medea Personnel. More than 90 per cent. of the members of both unions at the Observer are casually employed, but they maintain that management must continue to seek a voluntary agreement without forced reductions or face another shutdown next Sunday.

Meanwhile, the National Graphical Association is still trying to reach a negotiated deal with the Observer and is hopeful that agreement can still be reached.

● Talks were continuing last night in a bid to settle the five-week dispute involving journalists at the Birmingham Post and Evening Mail. ACAS officials called the two sides together last Friday at the same time as ten journalists were arrested following picket incidents in Birmingham.

Newspaper print workers may keep to pay limit

BY OUR LABOUR REPORTER

HOPES HAVE risen that 26,000 printing workers employed by national newspapers will accept pay rises next month within the Government's new £6 limit after endorsement of the anti-inflation policy by leaders of all three main printing unions.

National newspaper employers may take most comfort from the qualified support for the policy from the national executive of the National Graphical Association. Industrial action over differentials by NGA members last December and January lost some 6m. copies of national newspapers and, with this issue still basically unresolved, the NGA's backing for the £6 policy looks likely to postpone for a further 12 months any clash over this problem.

But in the negotiations which are due to start next month the NGA will be seeking a commitment from the Newspaper Publishers Association, representing the national newspaper employers, that its grievances on differentials will be remedied in next year's pay round.

This will include the correcting the erosion of differentials caused by acceptance of a sum up to £6 as a flat rate supplement. The NGA maintains that it already has a problem because of last year's 6½ per cent. pay deal, which eroded traditional differentials by up to 40p a week. This was eventually accepted in a ballot of NGA members after a bout of industrial action and five months after the other print unions had settled.

The other two main unions, the Society of Graphical and Allied Trades and the National Society of Operative Printers, Graphical and Media Personnel, have also decided to support the £6 policy. But it remains to be seen whether the NGA's continued absence from the TUC means that they will still insist that the NGA negotiates separately with the NPA.

The NGA is currently disputing its proposed terms of reaffiliation with the TUC and the issue looks unlikely to be settled in time for the NGA to attend next month's annual TUC Congress.

GMWU plans shipbuilding conference

By Our Labour Staff

THE GENERAL and Municipal Workers Union, the second biggest union in the shipbuilding industry, is planning a major conference on the industry's future in the light of nationalisation next month.

Mr. Eric Varley, Secretary of State for Industry, and Mr. Stanley Orme, Minister of State, Northern Ireland, will address the meeting, to be attended by about 40 delegatese from all major shipyards in the U.K.

According to Mr. Ken Baker, the GMWU's national officer responsible for the shipbuilding industry, the conference is the first of its kind to be organised in Britain.

Doorhangers' strike halts Ford's Halewood factory

BY OUR LABOUR STAFF

DOORHANGERS striking over manning levels yesterday stopped all work in the body plant of Ford's Halewood factory as production was supposed to resume after the plant's annual holidays.

But management was hopeful last night that the dispute could be settled to-day despite its initial resemblance to events at Dagenham earlier this year, where some 80 striking doorhangers and fenderfitters stopped car production for two months, losing the company some £40m. in sale-room terms.

As in Dagenham, Ford Halewood is trying to reduce the number of doorhangers on each shift. According to a company spokesman last night, the men on one shift accepted the reduction from eight to seven men without protest before the holidays.

However, when the cut was introduced on the second shift yesterday, about 100 men stopped work in protest and work at the body plant came to a halt. About 700 other workers from the body plant had to be sent home, but the assembly plant continued work.

Bid to settle gas strike

Talks are to take place to-day in an attempt to settle a strike of 350 fitters and maintenance men employed by West Midlands Gas which is disrupting normal fitting work and emergency services. The men employed at depots in Wolverhampton, Walsall, Oldbury, Cannock and Dudley went on strike on Friday because of a dispute over overtime, the use of outside contractors and the interpretation of a recent national pay and conditions agreement.

Scottish NUM urged: vote 'No'

BY OUR LABOUR REPORTER

LEADERS OF 19,000 Scottish miners yesterday fell in line with general Left-wing opposition to the Government's £6 pay limit and urged their members to vote against the anti-inflation policy in the National Union of Mineworkers' coalfield ballot.

With the ballot already in progress in several other coalfields, the NUM Scottish area executive stood firm against the trend in early returns which points to an eventual majority in favour of the union's national executive recommendation to support the policy.

Even voting in the NUM's key Left-wing area of Yorkshire indicates a small majority for the NUM's moderate line and if, as looks likely, this is followed when Scottish and South Wales miners vote, then the union's Left-wingers will have suffered a severe setback and the Government will have won a vital political bonus for its policy.

Despite this, a special delegate conference will be urged to-day to campaign at pit-level for a "No" vote in the Scottish ballot, which will be held over a 24-hour

By Our Labour Reporter

period on August 21-22.

Although the NUM's Left-wing have now virtually abandoned all hope of overcoming miners' traditional loyalty both to a Labour Government and their national executive, they are unlikely to give up their fight against the policy.

This means that if prices continue to spiral towards the end of the year, NUM militants will mount a determined campaign in favour of miners' pressing for increases above the £6 limit when their negotiations start early next year.

Europe's aerospace industries, faced with intense future U.S. competition in civil jet transport, have formed a new body, the Group of Six. **Michael Donne** reports

Urgent decisions still in the air

BEHIND THE scenes, the U.K. and Continental aerospace industries are pushing ahead with work whose aim is to determine what Europe's contribution will be to the next generation of civil jet transports. This work is being carried out despite the political uncertainties hanging over European aerospace, notably the threat of nationalisation facing the British Aircraft Corporation and Hawker Siddeley Aviation in the U.K., and the efforts by the European Economic Commission to get greater unity in aerospace matters as a whole on this side of the Atlantic. For the companies recognise that there is little time to waste if the designs are to be ready to meet the re-equipment tide that is expected to flow towards the latter part of this decade.

Most air transport analysts believe that world air passenger traffic will pick up again around that time, with an average annual growth rate of about 5 to 6 per cent., or roughly half what the airlines were accustomed to in the late 1960s. This will still create a big market for new airliners, both to meet the new traffic and to replace existing generations of jets that by the early 1980s will be ageing fast.

Incentive

Spurring the European manufacturers on is the fear that if they are too late, the American manufacturers (notably Boeing, which is already well down the road with its own plans, either for the new-generation 7X7 or the new Series 300 version of its best-selling 727) could scoop the market once again, ending for ever any chance of reducing the American's current dominance of European airline fleets.

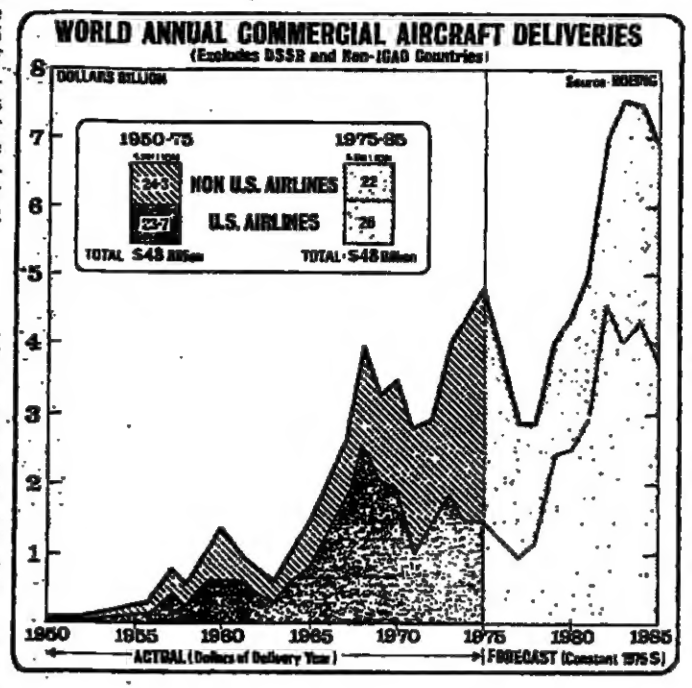
Purchases of American aircraft by European airlines are estimated at over $8bn. since 1946. In 1974 alone, in addition to $1.4bn. spent on buying jets, the European airlines paid $106m. in interest to U.S. financing organisations. The Association of European Airlines has estimated that its 19 members collectively will need some 2,000 new aeroplanes of all kinds over the next 25 years, of which many will come from the U.S. unless the European makers do something about it.

The most promising market appears to be in the medium-range field, for an aircraft capable of carrying about 200 passengers over distances of about 2,500 miles, with exceptional fuel efficiency in view of high fuel costs and supply problems, and extreme quietness to meet the increasingly stringent environmental requirements of governments and local authorities. Boeing, for example, has forecast that half the $48bn. worth of new jet sales it foresees over the next decade will be in this bracket (the rest being $14bn. in long-range, $8bn. in short-range and $2bn. in freighter jets). Of this market, about 56 per cent. will be in the U.S., accounting for about $26bn., 22 per cent. will be in Europe, and 23 per cent. in the rest of the world.

It is to meet this anticipated demand that the world's aircraft manufacturers have been busy at their drawing boards for months, preparing preliminary designs for the short-to-medium haul jets they think the airlines may want in the years ahead.

Among the mass of designs emerging are not only Boeing's own 7X7 and 727-300, and McDonnell Douglas's DC-X-200, but also in Europe new variants of the BAC One-Eleven (such as the Series 800), the Hawker Siddeley Trident and the French Dassault Mercure, as well as the AS-200 design from Aérospatiale, and several ideas from Airbus Industrie, of Toulouse, for turning its European Airbus into a "family" of jets. All of these ideas—and as yet they are little more than that—envisage the use of one or another of the two new "ten-ton" thrust engines now under development, the Pratt and Whitney JT-10D and the General Electric / Snecma CFM-56.

Clearly, not all of these designs are likely to surmount the hurdles between project office and airline service, especially if Governments are asked to finance their development. But what they demonstrate is that the European manufacturers are at least alive to the necessity of ensuring continuity in European civil jet manufacture.



But it is also clear that this kind of diffuse activity cannot go on, and that there is a need to weld many of these ideas into fewer basic designs that are likely to stand some chance of acceptance not only by the airlines but also by the Governments who will put up the cash.

This is why many of the companies in Europe, while working on their own separate ideas, have also set up a new body, called the Group of Six, to evolve if possible a single co-ordinated plan. The members of this Group include the biggest civil aircraft builders in Europe: BAC and Hawker Siddeley in the U.K., Messerschmitt-Bolkow-Blohm, VFW-Fokker and Dornier in West Germany, and Aérospatiale of France.

Civil jets

Some of them are already working together on civil jets—BAC and Aérospatiale on Concorde, for example, and Hawker Siddeley, MBB, VFW-Fokker and Aérospatiale on the A-300 Airbus through Airbus Industrie, while Dornier builds Skyservant light transports and has worked on the Transall military transport.

Over the past year, the Group of Six, after many discussions with British Airways, Air France, Lufthansa and other European airlines, has narrowed likely future medium-haul requirements to two broad areas—a 110-140 seater (called Type B), and a bigger 170-210 seater (Type A). Detailed studies of likely markets, and of design, development and production costs, are now being refined, and a report is expected to be delivered in October from the working committees to the top-level "Committee of Presidents" of the companies involved.

The presidents will then have to decide whether to carry the venture further, and commit their companies to a united European effort to design, develop and build one or the other—or both—of the two types of aircraft they have defined. It is at that point that they will have to bring governments more fully into the picture.

There does not seem much doubt that it is on this political front that the Group of Six will have most difficulty in getting a major European international collaborative project off the ground, and there is a real danger that the venture could be delayed while the political arguments drag on.

Quite apart from the nationalisation issue in the U.K., with the Bill due to be presented for Second Reading late this year or early in 1976, there is the EEC's own desire to see the European aerospace industry reshaped. If the need to establish a new civil aircraft programme for Europe is subordinated to these political desires to reshape the industry on both sides of the Channel, months, if not years, could be lost, and the markets of the future given to the Americans by default.

Work-sharing

There appears to be a greater awareness of this danger among Continental Governments than there is in Whitehall. The tendency there appears to sweep to one side all suggestions for new ventures with the comment that such things must be sorted out "after nationalisation." Thus, much effort is being, and will need to be, spent by top executives of the U.K. industry in trying to convince the Government that there is less time than it appears to think, and that some internationally collaborative programme on the next generation of civil jets ought to be agreed at least in broad terms before everyone gets swamped with the problems of industrial reorganisation. To do it the other way round must increase the risk of letting the Americans capture the market, or obliging the Continental Governments to press on without the U.K.

There could be political difficulties, too, in determining the work-sharing aspects of any collaborative venture, although the general view is that each country should get out of it work equivalent to the amount of money it is prepared to subscribe. There will have to be one final assembly centre, which could be either Filton, near Bristol, Toulouse or Munich, already the three biggest centres of civil aircraft development in Europe. If two aeroplanes are attempted, one of them (the 110-140 seater) might take the form of the One-Eleven Series 800, in which case the bigger 170-210 seater would be done on the Continent. There are many variables in the situation, but at best, so far as the U.K. industry is concerned, the projects would provide employment for a slimmer labour force than is currently employed on civil aircraft.

The French and German Governments may also insist that something be done to ensure continuity of activity in Airbus Industrie, the company in which they have already invested vast sums, and around which many feel any new European ventures ought to be built. Airbus Industrie is not a member of the Group of Six, and it could well be that it could continue alone, not only selling the short-range A-300 Airbus itself, but also concentrating on developing its B-11, a new long-range four-engined aeroplane for what are called the "long-thin" routes that are now emerging throughout the world — the kind of very long routes, such as one-stop between Europe and Australia, or New York-Tokyo, that need an aeroplane carrying fewer passengers than the long-range Jumbos—say 150-200 instead of 330-450.

Stake

This type of project would keep Airbus Industrie busy, but would not cut across the projects envisaged by the Group of Six.

It is being suggested in the U.K. industry, too, that if the U.K. Government is really interested in seeing a European aerospace industry emerge in the years ahead, it could aid the situation by seeking a financial stake in Airbus Industrie to help get such a new long-range venture going, without in any way prejudicing any plans which the Group of Six may have.

There are many permutations to the problem of what Europe ought to do to strengthen its aerospace industry and capture the markets of the future. There will be many discussions, technical, commercial and political, before a final strategic long-term plan emerges, hopefully some time in 1976, or 1977 at the latest. What is clear is that the companies themselves have taken the first steps towards formulating that plan. Now, they need the goodwill and support of their governments, if it is ever to come to fruition.

APPOINTMENTS

John Jarvis joins Ladbroke Holidays

Mr. John F. Jarvis has become managing director of LADBROKE HOLIDAYS. Mr. Robert Upsdell, who is chairman, has relinquished the managing directorship, a position he has held temporarily for the past year. Mr. Jarvis joins the Ladbroke Group from the leisure division of Rank Organisation.

★

Sir Charles Wilson has been appointed to the Board of the SCOTTISH METROPOLITAN PROPERTY COMPANY. Sir Charles has been principal of the University of Glasgow since 1961.

★

Mr. Neville Bowker has been appointed ot the Board of BANISTER WALTON AND COMPANY, a division of Concrete.

★

Mr. Norman Haycock has been appointed a director of BESTOBELL. He continues as divisional chief executive overseas for the company.

★

Mr. John W. Attwell has joined the Board of ANDERSON STRATHCLYDE as a non-executive director. He recently retired from the Weir Group.

★

FRENCH KIER HOLDINGS has made the following changes to the Boards of subsidiaries. Kier: Mr. W. Fox is managing director in place of Mr. J. C. S. Mott who has retired from the Board. Mr. Mott remains a director of J. L. Kier and Company and of the ultimate parent company, French Kier Holdings, of which he is chairman. Mr. G. S. Kidd has also retired from the Board, but remains a director of J. L. Kier and Company and of French Kier Holdings. Mr. Kidd is also managing director of French Kier International, into which company all the group's overseas activities are being amalgamated. Mr. C. A. Frettsome has been appointed a director of Kier.

W. and C. French (Construction): Mr. T. J. Wignall has relinquished the managing directorship to devote more time to future policy, remaining as chairman. Mr. W. R. Hare has been appointed managing director in his place. Mr. D. V. Brand has joined the Board as finance director and Mr. T. A. Clark has been appointed a contracts director.

French Kier International: Mr. W. E. Anstead and Mr. E. R. Allen have joined the Board as contracts directors.

★

Mr. R. C. Smith has been appointed a director of STANDARD LIFE ASSURANCE COMPANY. Mr. Smith, a chartered accountant, is a director of Finance Corporation for Industry, Finance for Industry and of Scottish United Investors and is official liquidator for Upper Clyde Shipbuilders.

★

Sir Patrick Nairne, presently a Second Permanent Secretary in the Cabinet Office, is to succeed Sir Philip Rogers as Permanent Secretary to the Department of Health and Social Security on the latter's retirement from the Public Service at the end of

★

Mr. Peter Keddie has retired as chairman of JOHN WYETH AND BROTHER.

★

Dr. R. J. Clark has become technical director of GLYNWED GROUP SERVICES.

★

Mr. Edward Tremble has been appointed managing director of KILGOUR FRENCH AND STANBURY, a member of the Lincroft-Kilgour Group.

★

The Wiltshier Group has appointed Mr. W. B. Shelton as managing director of its newly formed Iranian company, WILTSHIER IRAN.

★

Mr. H. K. Horne, managing director of WALMSLEYS (BURY) LIMITED, has been appointed to the additional position of chairman of that company. Mr. William J. Binns has retired as managing director of the Walmsley (Bury) Group and as chairman of Walmsleys (Bury) Limited. Mr. Binns continues as a member of the Walmsley Group Board as vice chairman in place of Mr. E. H. Neese who has returned to Walmsleys' American associates Beloit Corporation.

★

Mr. Arthur White has retired from the Boards of DAVENPORTS BREWERY (HOLDINGS) and Davenports Brewery.

★

Mr. P. H. F. Burton has been appointed managing director of BSA PRECISION CASTINGS.

Tate & Lyle sponsors sailing match

TATE & LYLE is sponsoring a Thames Barge Sailing Match on August 27 as part of the Port of London Clipper Regatta Week from August 23-30.

The match is the first time sailing barges have raced on the Thames as far up as the lower Pool of London and will see the largest gathering of sailing barges since 1963. Twenty-five barges will race from Gravesend (off the Customs' Pier) to Cherry Garden Pier, half-a-mile from Tower Bridge. The race starts at 11.00 a.m.

Some of the vantage points from where the race can be watched are: Gravesend, Grays, Greenhithe, Purfleet, Erith, Woolwich, Greenwich, Isle of Dogs, Deptford, Rotherhithe, Wapping (King Edward VII park), and both sides of the river immediately below Tower Bridge.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SECURITY AND SAFETY

Hotel rooms without keys

PROVIDING greater internal security and reducing losses through stolen or duplicated keys is the Cardguard II keyless hotel room locking system introduced by ADT Security Systems, 26 Old Bailey, London EC4M 7HL (01-248 4262).

As the guest registers he will receive an individually coded plastic card. Before the "key" is handed over, it is inserted into a code entry terminal, the room number is dialled and the "enter" button pushed. This transmits the code to the assigned room, allowing the guest access when he inserts his card into a slot next to the door of his room.

If a guest overstays his reservation, over-runs his credit, is to be denied access for any reason, or is checking out, the room number is entered on the code entry terminal, the "cancel" button pushed erasing the code from that room's slot, and the card will no longer open the door. As it can never be used again, it can be kept by the guest or destroyed by the hotel.

There are 2m. randomly selected codes available. These can either be punched on the card by a coder at the hotel, or bought in bulk. Only six cards, including master and sub-master cards, can be entered in the control terminal at one time for one room.

Master and sub-master cards for management and housekeeping staff can be produced. The code can be entered individually for a card providing access to whatever rooms are required, or a tape programmer will allow automatic entry of codes for blocks of rooms. Control can also be provided for storage areas for linen, liquor, food and silverware, permitting access only to staff issued with the appropriate card.

The code entry terminal can be automatic or manual—the manual system is usually more economic for hotels with 200 rooms or under. For a 125-room hotel the manual version would cost about £70 per room. It can be installed in new or existing hotels using the hotel's internal telephone system. If it is not possible to use these lines, a simple two wire connection can be used.

An energy-conservation option is available which automatically turns off air conditioner/heater, lights and TV sets when the card is cancelled.

● METALWORKING

Ideas in gold and silver

MEDALLIONS, coin replicas, symbolic figures, typical company products, can all be produced in gold or silver under a new service launched by the West German company, Degussa, of Frankfurt am Main.

The company has produced a brochure describing the possibilities for the use of embossed precious metal at anniversary celebrations, testimonial ceremonies, commemorations, for competitions and contests, and other special occasions.

A team of experts has been formed in the company's Dental and Semi-Finished Gold Products Division to transform any ideas submitted into gold and silver.

To reduce shop-floor thefts

AN ENGINEER'S trolley, with a lock-up tool box at the bottom, is being made by the Angel Truck Co. Called the Mobile Mechanic, *it is intended for garages, maintenance departments, etc.*

Apart from the lock-up tool box *there are two lift-out tool trays* with adjustable dividers for small tools such as spanners, pliers and *screwdrivers. These can be fitted* into the top section of the lower container and locked away. Carrying capacity is 250 lbs.

The trays are 26 x 12 x 1½ inches and the lower container 20½ x 12½ x 7 inches. The maker is at 242 Billet Road, Walthamstow, London E17 5DZ (01-527 5566).

Safe for hazardous areas

CALLED THE "Barrier Gland," what is claimed to be a new concept in cable termination for hazardous areas has been developed by BICC Components. The company says the gland overcomes all previous problems encountered due to cable construction with direct entry applications.

Cable interstices are sealed inside the gland, which eliminates the need for an additional sealing chamber and permits the use of more economical cable constructions in defined hazardous areas.

The range of glands passed a series of thermal and flame transmission tests conducted by the *Electrical Research Association* to test requirements specified by the British Approvals Service for Electrical Equipment in Flammable Atmospheres (BASEEFA). Formal certification of the range by BASEEFA is expected shortly, says the company, which is at Astmoor Industrial Estate, Chadwick Road, Runcorn, Cheshire.

● INSTRUMENTS

Radiation makes it warble

INTENDED FOR personal protection, *a pocket instrument* has been developed by Scanray (International Testing), Burton Road, Milton Keynes MK2 3LQ (0908 70771), which provides an audible warning in the presence of X or gamma radiation.

Threshold at which the alarm *sounds can be specified* when ordering—the standard version is set at 1 millirad/hr. The level is marked on the case.

At and above the threshold a continuous tone is produced, *until radiation reaches* twice the the set level, when the tone is introduced. Signal frequency *increases proportional to the* dose rate until about ten times thet set level, when the tone becomes a warble.

The instrument cannot be switched off, and the only control is a "confidence" button which allows the user to check the signal and also checks 90 *per cent. of the circuitry.* Ten weeks' continuous operation (depending on the dose rate) can *be obtained from the standard* 9v battery. When the voltage falls to 6v, the alarm sounds.

● TEXTILES

Linen in a new shape

NEW TECHNIQUES which *make possible the introduction* of a varied, controlled amount of "slubs" into a fabric have been developed by Kirkpatrick, of Ballyclare, producers of Linron, the Irish linen fibre.

*The result is a chunky home-*spun look in yarns and fabrics. It combines with a variegated *effect to be obtained* by integrating linen slubs of several colours into the same fabric.

Four new Linron qualities vary only in the amount and variety of slubs added, two of them containing 20 per cent and 40 per cent. of white slubs respectively. Different effects can be obtained in yarns and fabric by cross-dyeing, tone-on-tone dyeing, or by reserving either of the blend components. The other two qualities each contain 30 per cent. of slubs, of which either 10 per cent. or 20 per cent. can be coloured. *Colours available are red, green,* orange, light blue, navy, yellow, lavender, rust, black and dark *brown. Any combination of these* shades is possible to give a multi-coloured slub effect.

As with existing qualities of Linron, the new qualities can be blended with any other fibre, natural or synthetic, and yarns manufactured from these blends can be spun on any commercial spinning system.

Among spinners at home and abroad currently carrying out development work with these new types of Linron is Jeremiah Ambler (Ulster). This company now has a variety of yarns on offer in blends of 70 per cent. *wool or polyester with 30 per* cent. Linron in counts ranging from 16s to 20s wc. The yarns *can contain white slubs or any* of the full range of colours available.

● DATA PROCESSING

Eight of the 16 showrooms in the north area of West Midlands Gas have installed Cossor Unitel *visual* display units. They enable showroom staff to call up data on credit and slot-meter accounts, hire purchase commitments and payments, records of maintenance and emergency visits. The showroom can also request maintenance and, while the customer waits, find out from the computer the earliest date on which a fitter is available to do the job requested. If the first date is not suitable then the computer can suggest an alternative. The unit shown here is at Tunstall, Stoke-on-Trent.

Challenge to the big banks

IN RESPONSE to the needs of a growing sector of international and merchant banks, CMG (City of London) is to offer a total banking service to be run on its computer bureaux with an overnight turnaround.

This new service being offered by CMG will appeal to these banks—and five are discussing it at the moment—as an alternative to the acquisition of small computers.

Many banks cannot spare the extra space for their own computers, even if they were prepared to pay City rates for it. The salary and overhead bill for data *processing specialists is* even more serious for smaller banks, which are expected to provide *low-interest mortgages as a mat*ter of course.

CMG has developed a basic *system design* for the service. Current accounting, foreign exchange, Eurodollar, and loan and deposit features can be added without complication, which means that banks pay only for the processing they need at any given time.

The foreign exchange package is of special interest now that rates are fluctuating so regularly.

Input to the service will be by transactions, individual posting entries or a combination of both and can be sent to the bureau in paper tape or punched card forms or can be transmitted over *telephone lines direct to a computer.* All processing will be carried out overnight and results will be available before banking begins next morning.

CMG expects the present growing demand for a properly documented current account service to work in its favour as dissatisfaction with the general level of service increases.

CMG. City is the specialist financial subsidiary of CMG Computer Management Group. The new facility is part of this subsidiary's continuing expansion, which has recently resulted in the creation of a number of separate divsions. This City venture is expected to earn the group around £1m. in the current year which represents an enviable growth rate.

CMG (City of London) now consists of the banking and insurance specialist divisions and a commercial division which provides more general services.

The insurance division will continue with current services for insurance companies. Part of this work is the bureau processing of an accounting system covering over £10,000m. of stock exchange investments. This bureau service, using CMG's INVEST package, is carried out for most of the U.K.'s major insurance companies.

CMG (City of London), Eastgate, 53, Leman Street, London E1 8EY. 01-481 3881.

Automated strip mill controls

GEC Electrical Projects is to build for British Steel Corporation computer-controlled gauge control systems to BSC functional design for strip mills at two of the Corporation's works.

The order is valued at about £350,000 and concerns the four-stand tandem cold reduction mills at Llanwern in South Wales and at Gartcosh near Glasgow.

Equipment to be supplied includes modifications to the existing electrical control systems on the main drives and mill screwdowns, in addition to the two GEC 4080 computers and associated industrial peripheral equipment from the GEC MARCH 4 range.

The computers will make ex*tensive use of the CONRAD soft*ware package developed by GEC, which allows personnel from a conventional control engineering discipline to specify, set up, commission and subsequently modify the control system without the intervention of specialist programmers.

The equipment will be built at GEC factories at Borehamwood, Leicester and Kidsgrove, *and is scheduled for delivery in* 1976.

● PRODUCTS

Rules from France

MADE BY Stanley-Mabo—French sister company of Stanley Tools—a series of ten steel tape rules is to be marketed in the U.K.

Ranging from a 1 metre/3 feet lightweight to a 5 metre/16 feet heavy duty rule, all have metric/Imperial markings and have a protective coating of clear polyester.

Several have *special* features such as a top sight window for reading inside measures when the case is butted into an awkward corner; one has a spirit level and a facility for inscribing circles up to 3 metres, while another has a self-erasing marker pad and stylo for immediate noting of measurements.

They are being sold by Stanley Tools, Woodside, Sheffield S3 9PD (0742 78678).

Bench test chambers

CAPACITIES between one and 2.65 cu. ft. are offered in a range of temperature test chambers put on the market by Climaire Air Conditioning of 40, *High Street, Wimbledon Com*mon, London, S.W.19 (01-947 5793).

Available as packaged units, the HC 30, 40 and 70 are fitted with front opening door with hermetically sealed window. The chambers operate over an air temperature range of −70 to +150 deg. C. controllable within ±1 deg. C throughout the range.

Lined with light gauge stain*less steel, the chambers* have exterior surfaces of stoved steel panels. An air-cooled cascade refrigeration system is fitted as standard, with liquid injection (nitrogen or carbon dioxide) as an alternative.

Instrumentation and test programme cycling to meet indi*vidual needs can be provided,* as can completely automatic operation.

● RESEARCH

Power from the sun

MULTIMILLION dollar contract for a research programme to speed development of practical *applications of solar energy* has been announced by the Northwestern Mutual Life Insurance *Company, Milwaukee, and Bat*telle Memorial Institute, Columbus, Ohio, U.S.

Northwestern Mutual Life will initially invest $2.5m. to further develop five studies previously funded by Battelle, as well as other promising concepts.

The projects are: a solar powered field irrigation pump; a process for making an inexpensive material for solar cells that produce electricity or for solar energy absorption systems for heating and cooling; a photochemical method to collect and store the sun's energy for use in heating and cooling homes and businesses—whether or not the sun is shining; a technique to make photovoltaic cells which convert sunlight to electricity; and an innovative concept for a solar powered engine.

Some of the experimental work will take place at NML's 76,000 acre Gila Bend Ranch in Arizona, an agricultural investment in one of the country's most arid regions where constant irrigation is required. Under terms of the agreement, the research results will be commercialised and made available to the public. The agreement *extends through 1977 and is* subject to renewal.

The solar powered irrigation pump project aims to design and demonstrate a solar energy system capable of powering a 50 hp pump during daylight hours. It involves designing a solar collector, a heat-transfer fluid system and a vapour expansion engine. The 50 hp size was chosen because it is big enough to demonstrate the system at Gila Bend and to project reliably a later scale up to 200-250 hp units for deep water wells.

To produce an inexpensive material for solar cells, technological advances are required to make silicon economical as an absorbing material. Silicon is a promising solar cell material, but making it has been expensive or inefficient. The process being developed at Battelle could possibly provide silicon films for uses such as silicon photovoltaic cells for direct conversion of sunlight to electricity or for solar energy absorption systems for heating and cooling. The process might also provide a cheaper source of high purity silicon for conventional manufacturing.

A major problem in using solar energy for homes and businesses has been the lack of an efficient collection and storage system. For nearly three years, Battelle scientists and engineers have been working on a more efficient photochemical system for capturing, storing and using solar energy. The stored energy can be recovered as heat when needed.

● WELDING

How to bang it together

EXPLOSIVE *welding is the sub*ject of a seminar being organised by the Welding Institute at the Regent Centre Hotel, London, on September 23. Under the direction of the leading U.K. *authorities on the subject*, the Institute says it will provide delegates with the most up-to-date *know-how*.

The following day the Institute is holding a seminar on surface coatings at the same venue. Organised in conjunction with the National Centre of Tribology, the meeting will study cost/technical benefits.

Clean air for the welder

WHEN CONNECTED by a flexible plastic hose to a suitably filtered compressed air supply the Starcrest Airchief welder's helmet developed by BOC isolates the operator from the atmosphere in which he is working. The company says this enables the welder to operate in safety and comfort for longer periods.

Resembling a conventional helmet, the Airchief has a sealed *inner plastic skin with minute* perforations which directs a gentle flow of cool, breathable *air on to the operator's face.* A leather belt carrying a control valve enables the welder to select *the air flow rate.*

The helmet is available in a variety of sizes, with flip-front filters if required, from BOC Gas Equipment and Commercial Supplies, Commercial Centre, Angel Road Trading Estate, Edmonton, London N18 3AL (01-803 1350).

● MATERIALS

Non-metal conducts electricity

UNIVERSITY of Pennsylvania *scientists have synthesized elec*trically-conducting films of a new type of material, which is *"metal" even though it contains* no metal atoms.

The material is made from thin layers of *electrically-conducting* polymeric sulphur nitride, which is synthesized so that the chains of molecules are aligned parallel to one another on a plastic surface.

Bundles of fibres are stacked parallel to each other and then flattened under pressure into thin sheets of material. Fibres are aligned exactly parallel to each other which permits electricity to pass more easily along than across them.

The films have the property of allowing ordinary polarized visible light to pass through fairly easily, but reflect most of *the light when the film is turned* 90 degrees.

Further details from AFP, 35, Piccadilly, London W1V 9PB (01-734 7282).

● POWER

Thyristor motor speed regulator

FOR SHUNT wound motors in ratings from ¼ to 1.5 h.p., the Modu-Drive "O" thyristor motor speed regulator has been introduced by Allen Bennett, Orgreave Drive, Sheffield S13 9NR (0742 693281).

The unit, which uses standard mains supply, provides speed variation up to 50:1 with an accuracy of ±0.5 per cent., using a potentiometer. Features include controlled acceleration; adjustable current limit; adjustable range/span by pre-set maximum/minimum speed setting potentiometers; field loss relay; integral circuit breaker and overload.

Optional items are reversing; dynamic braking; auto input facility, either 0-5, 4-20 or 10-50mA; inching; jogging; auto/manual control; speed and/or load indication and pushbuttons for remote operation.

The unit is available either in chassis form for building into *equipment, or enclosed for wall* mounting. Applications include conveyor drives, small machine tools, pumps, reelers, packaging machines and small extruders.

● HANDLING

Compact forklift trucks

MATBRO's new Series VII "Compact" range of forklift trucks, constructed to the minimum size compatible with their load carrying capacity, comprises 4,000, 5,000, 6,000, 7,000 and 8000 lb models rated at 24 inch load centres. Prices range from £5,000 to £7,000.

Improvements include alternative engine choice (diesel or LPG versions) transmission inching facility, higher lift speed (80 feet/min.), and improved control layout. A larger radiator is cooled by mechanically driven fan. Accessibility to the engine compartment has been improved, and each model now has a single large capacity hydraulic pump for steering and main hydraulics.

A four-piece bolt-on cab is designed to fit the safety guard. The doors can be lifted off their hinges and visibility is improved, says the maker, Matbro House, Horley, Surrey (02934 5522).

● PROCESSING

Tempers high speed steels

DEVELOPMENT OF a new type of heating element has enabled Torvac, Histon, Cambridge CB4 4HE (022023 2646), to design a vacuum furnace which can be opened to atmosphere at up to 1300 deg. C. The company will not disclose the materials used for the elements.

Conventional vacuum furnaces use heating elements of molybdenum, graphite, or stainless steel. If elements of these materials were exposed to air at 1300 deg. C the oxidation would be catastrophic.

The new furnace enables the load, protected by the vacuum up to temperature, to be rapidly removed and quenched in oil or water without the usual complexities. There is some surface oxidation but this is minimised by the speed of extraction and quench.

Nitrogen is used to fill the furnace before opening, and because of the rapid operation, working temperature can be maintained for the next load.

A range of sizes is available and the furnace is said to be suitable for tempering high speed steel tools, and for processing steels not amenable to other methods.

هكذا من الاصل

The Executive's World

EDITED BY JAMES ENSOR

Ray Dafter talks to Dr. Paul Janssen in Belgium

Philosopher in the drug business

BUREAUCRACY AND tighter regulatory controls by Governments and health authorities are taking the fun out of drug research, according to Dr. Paul Janssen, research director of the Belgian Janssen Pharmaceutica group and son of the company's founder. What is perhaps more pertinent, the strictures are also hitting the incentives behind research.

"It is almost a case of screening our laboratory people from the rest of the world. It would be a disaster if they found out what is going on," he said. "These people like their work; they like to solve problems. How can you work without hope?".

Some $500m. worth of Janssen products are sold worldwide annually, the majority manufactured under licence by its affiliate, Johnson and Johnson, and other companies like ICI, Bayer, Rhône-Poulenc and Searle. In addition it is reckoned that another $250m. worth of products are sold by "priates" or copyists. Italy is renowned for flaunting pharmaceutical patents while, according to Dr. Janssen, Europe has a sizeable "black market" operating in veterinary products.

"Its almost a case of screening our laboratory people from the rest of the world. It would be a disaster if they found out what's going on."

Effort

The worldwide sales figures are a measure of Janssen's research effort. The company, as it stands now, has grown out of a pure research unit — production and worldwide marketing has followed in the wake of new discoveries. As such it is probably the last company of its type to emerge in the industry.

Janssen was founded in 1934 by Dr. Constant Janssen, a GP who concentrated on selling a wide range of drugs in Belgium and Holland. Product research started in 1953 under his son, Paul, who was given just $1,000 to "get started."

The sum was enough to carry out research for three years. In those days three years was enough to develop a new drug which could be licensed to established manufacturers. Proceeds from the licences paid for research and so on.

"Today it takes at least seven years from scratch to put a new drug on the market, work which to-day costs a minimum of several million dollars. Who is going to take those sorts of risks now".

The research effort has been growing at around 35 per cent. since those early days. The company has synthesised some 36,000 new chemical compounds and produced around 40 original pharmaceuticals. They include analgesics, anaesthetics and treatments for psychiatric disorders and cardiovascular and gastrointestinal diseases. A number of other products are in the development stage, both in the field of human medicine and vetinary treatments (which account for about 21 per cent. of total Jannsen product sales).

As with many chemical companies involved in pharmaceuticals Janssen is also venturing more deeply into the agrochemicals sector, particularly the pesticide market, which again is a research-intensive business.

Of the 1,400 staff working on Janssen's main site in Beerse, Belgium, some 400 are directly involved in research. Paul Janssen feels this R & D unit is in danger of becoming too large so he is looking more to overseas research. (This fits in with the increasingly international outlook of the company, anyway.) Small research establishments have been set up in Brazil, Australia and South Africa and the U.K. is earmarked as the next country for development, provided two criteria can be met. First Dr. Janssen is waiting for the British economic position to improve; second he is waiting to find the right researcher around whom the unit be established. "It's a bit like betting on horses — you may have the money, and you may like horses, but you don't bet until you feel you have the right horse."

Protection

In the past four years Janssen's research and development bill has grown from $6.6m. to about $16.5m. annually. As it is impossible to guarantee that research will be successful the company needs protection, in the form of a viable business organisation manufacturing and selling a wide range of products. This is why in an exchange of shares deal Janssen became part of the Johnson and Johnson group in 1961.

Janssen regards the association as a type of protective insurance policy. The drug company has security but a large measure of autonomy in the decentralised J and J group. One senses that the link-up has also given a sharper business edge to Janssen.

Dr. Janssen admitted that his, and the company's main interest originated in reasearch. "Our aim was to do research for fun; production started as a means of continuing research—it was not a golden aim. In hindsight, we should have started producing drugs sooner." The first compounds were made in a pilot plant in 1963; even now Janssen has to buy some of its own drugs from other manufacturers, such as ICI.

It is difficult to assess the real commercial success of the company for it has the exasperating habit of playing verbal hopscotch when tackled about worldwide trading figures. The figures which are provided are unrelated and give no indication about total revenue from sales and royalties nor of total profitability. The figures would be misleading and present an "erroneous" picture, says Janssen.

Dr. Janssen concedes that that company's return on investment has been above average. "I am not ashamed of making money provided we make successful drugs. What I hate is a company which is willing to put on to the market an inferior drug just to make money. And there are these companies about."

Future profitability is more problematical, however. For a start, patents will soon begin to expire on some of the earlier successful products. Then there is the increasing cost of research and registration at a time of price controls and inflation. This is where increasing regulatory restrictions are beginning to bite. Indeed, one of the attractions of setting up research in the U.K. is that British registration is accepted by many international agencies, thus reducing a lot of duplication from country to country. "Everything has to be introduced in the local language: in Greece it is Greek; in Belgium it is French and Flemish. I find it difficult to find people to do these jobs," he says.

The time it takes to obtain official acceptance of a new product is also causing concern. "Take treatment for cancer: we have drugs that will do more than a lot of preparations on the market. But it will take many years to convince the world."

Dr. Janssen likes to quote Sir Alexander Fleming who once said that thousands of lives would have been saved by his penicillin discovery had the profession paid attention to his early accounts and had worked with the drug "as a new salvation."

Frustration

At a pharmaceutical symposium in Canada recently Dr. Janssen summed up his frustrations thus: "Creative thinking cannot but suffocate in a world of bureaucratic materialism where ideals cannot be realised, where force, power and selfishness are the only driving forces and where charity is dead.

"Society should not allow its mood to be set by the overly suspicious, the rapacious, the unscrupulous and the bully, nor allow its social structure to penalise the decent, the unselfish, the fair-minded and the generous. Superior drugs will not be found, developed or even recognised by complacent, unimaginative and lazy-minded men soaked in old prejudices and habits of mind but by the inquisitive and candid young researcher living in a free world where ideals can still be realised and beautiful dreams can still come true," he argues.

Sandy Caird tells **Doina Thomas** how he set up

Business in Aviemore

SANDY CAIRD started his own business five years ago, not so much because he had turned 40 as because he had advised himself out of his job with the family retailing company. "I was running the family shop in Perth but had advised the Board that it be closed down, so running myself out of a major job," Mr. Caird remembers.

Mr. Caird followed up advising himself out of his family company by selling himself out of it and using the proceeds to buy a one off diversification that the company had got into largely on his advice. The family business was traditionally in clothing but in the late sixties it registered the name Cairdsport and started a small operation concerned with sports clothes and goods.

Ski-instructor at Aviemore

Winter sports

The reasoning behind the diversification was that Scotland, where the Caird family business is based, was taking its first tentative steps to attracting the winter sports business. Discussions about the founding of the Aviemore sports centre started in 1966 and this was when Alec Caird persuaded his family company to bid for the sports goods shop there. It was this shop that he bought in 1970 with £10,000 of his own money, £5,000 from his bank and another £5,000 from ICFC.

"For us it was the original £5,000 investment," comments ICFC which advertises its lending policy as being from £5,000-£1m. That £5,000 has now been partially repaid and a 16.6 per cent. equity stake in Cairdsports has been taken which now has a quadrupled turnover of around £250,000 derived from a much expanded range of activities and shop.

What Alec Caird started with was a thousand square feet of shop selling ski equipment and clothing, a modest ski hire operation and ski school, a very small water sports interest and a roughly similar business in Glenshee (Scotland's other skiing centre) which he leased from the family company. Unfortunately in 1971, just a year after Mr. Caird had got started "the snow was diabolical. I sat there and wondered if I would weather the season."

But both Mr. Caird and Aviemore survived to prosper though both in slightly different guises. Aviemore has managed to turn itself into a year round holiday resort for families with children and Mr. Caird has compromise slightly with his own taste and style. "I had to go down market slightly and definitely down the age brackets."

What he now has is an additional six hundred square feet of selling space, largely occupied by souvenir and knick-knack objects, a ski school employing 35 instructors, 700 sets of skis for hire, a sailing school with ten boats, sixty-five canoes, 80 bicycles for hire (including some Solexes) and many other bits and bobs. "I reckon I could now survive a winter if there were no snow whatever," he reflects.

Guidelines

The development of the business—there is an investment of £30,000 in skis alone—has been financed "purely from cash flow, I don't have an overdraft now." In the course of the development he has evolved five guidelines for himself for future developments.

"First of all it has to be economically viable, then I have to be sure of the cash flow to provide investment funds, it has to be something I like doing, it must not put too much more weight on top management, and it must be possible to do this within supervisable distance." And behind all these reasons lies his desire to keep the operation "to a size I can control myself, that makes 98 per cent. efficiency possible."

Tourists

The other present constraint on the business is, of course, his captive market, the 1,500-odd tourists who make up the population of the Aviemore centre (that does not include the inhabitants of the village). He admits that his business is dependent on the health of the centre but that does not seem to be in jeopardy at the moment.

For the continued prosperity of his business Mr. Caird has to be quickly responsive to the changing needs of Aviemore's tourists. The bike hire operation, for example, was started last year as the younger visitors started to express the consciousness of "the environment," this also prompted an increased stock of camping and hiking equipment.

But his latest idea for extending the range of his activities at Aviemore had perhaps best be whispered down the salmon-rich Spey valley. He is proposing to start a coarse fishing school.

PENSIONS ERIC SHORT

The position gets more confused

MANY EMPLOYERS have been waiting for the Government's pensions legislation to be finalised before getting down to deciding what action to take over pension provision for their employees. But although the Social Security Pensions Act 1975 received Royal Assent last week, they will find the position more confused than ever.

For the cost of improvements in pension benefits is being treated like the cost of any other non-wage benefit in assessing the £6 per week limit in the Government's anti-inflation measures. This has caused considerable confusion and concern within the pensions industry which now has to deal with yet another Government department. In the past, pension improvements have been treated favourably in anti-inflation measures.

Since the cost of improvements counts against the £6 per week limit there is likely to be a moratorium on pension scheme improvements for the next 12 months. Mr. Foot, the Employment Secretary is allowing schemes to go through where improvements have been agreed prior to July 1 or where meaningful discussions on improvements have taken place in the three months prior to that date.

From August 1, 1976 he will exempt costs of improvements in pension schemes up to the minimum contracting out requirements of the new Social Security Act, but nothing more. Employers who so far have done little or nothing towards making pension scheme improvements or setting up new schemes now have little incentive. *This is a mockery of* Mrs. Castle's exhortation last week for employers and unions to lose no time in discussing what action they intend to take under the Government's scheme.

Furthermore, the Government's action gives little incentive to contract out of the State Reserve Scheme if employers can only provide minimum benefits. It also means that no past services benefits can be provided, nor can any reasonable provision for widows be made. Under these conditions pension consultants are perturbed about what advice to give their clients.

Even assuming that employers can be convinced of the ultimate benefits of contracting out and setting up their own occupational pension scheme, the operation will have to be carried out in several phases. The first step is setting up a scheme that will provide minimum contracting out benefits which can be launched on or after August 1, 1976.

Then comes the next stage of raising those benefits to what is considered the best level. But it is not yet known when that stage can be implemented; it could be several years away.

Then comes the task of deciding what to do about employees or their widows who would have been receiving these new benefits but for the anti-inflation legislation. Under the Act, minimum benefits are determined by how long the pension scheme has been in force, rather than the employee's length of service. How should the employer attempt to compensate these people? No one could blame an employer for throwing up his hands at the thought of such complex procedures. Certainly the pensions industry is very worried on this point.

Representatives of the industry have asked for a meeting with Mr. Foot as soon as possible to get some relaxation of pension scheme improvements in the anti-inflation measures. The industry is not at variance with the aims of the Government. Indeed unless inflation is brought under control there is no long term future for funded pension schemes, as the events of the past two years have shown. But as Lord Byers, Chairman of the Company Pensions Information Centre, has pointed out, pension provision can materially help in combating inflation by restricting disposable incomes and consumption and by encouraging savings and investment.

Meanwhile, since the starting date of the Government's new pension scheme is to be April, 1978, employers should delay no longer in considering their pensions strategy which ultimately will be whether to contract out of the State scheme or not. Their pension consultant will need to make several detailed calculations and investigations before he can present the facts upon which the employer can base his decision.

Once that vital decision is made, the consultant can draw up a timetable of how to implement the decision. Even a negative decision (not to contract out) still means drawing up a scheme to supplement the State provision. Naturally it will not be possible to put a firm date to the timetable, so flexibility will have to be the feature in this respect.

The pensions industry should also seek clarification from the Government about whether improvements in pension schemes will be allowed where the cost is to be met from company profits and not added to labour costs for which a price increase will be sought. In such a case improvements would not be infringing the spirit of the anti-inflation measures, but Governments all too often work on the letter of the law.

In the meantime, the concern over the anti-inflation measures should not obscure the fact that at last there is a comprehensive Government pension scheme now on the statute books and that it has the support of all political parties and is not likely to be thrown out at the next change of Government. Once the economic situation is put right, and admittedly this is a big if, employers should be able to negotiate pension arrangements against a stable background.

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Sydney: 364 Sussex Street (Cnr. Liverpool Street), Box 3888 GPO 2001 Tel: 619 517, 618 773
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

TUESDAY, AUGUST 12, 1975

A precarious truce

THE NORMAL laws of political cause and effect have little relevance in Ireland and any analysis of the situation following the Belfast riots of the week-end must take account of this fact. Nevertheless, Sunday's disturbances do not seem to have arisen from any deliberate strategy on the part of either of the usual architects of trouble in the province. The plans of the Provisional IRA evidently call for a period of quiet regroupment and rearmament until later in the autumn—when, they expect the Convention on Northern Ireland's future will have foundered on disagreement and the time will be propitious for another assault on British public opinion by means of bombing. The Protestant Loyalists have just put forward an elaborate scheme for political compromise with the Catholics and it would hardly be logical for their high command to stir up communal violence at this stage.

The spark

The chances are, therefore, that the trouble was generated in the normal tensions of a Belfast summer, the spark being provided by the demonstrations against internment now being staged by Catholic militants. This assessment naturally does not dispose of the danger. A prolonged period of communal tension would obviously wreck the faintest chances of political accommodation, but in the meantime these remain precariously alive.

Just how precarious this life really is, is a matter of conjecture. At this moment preparations are in train for the re-assembly of the Constitutional Convention next week and private consultations are taking place between the principal parties involved. The Loyalist proposals for Catholic participation in a scheme of autonomous municipal councils parallel to the Government has all the appearance of an attempt to dodge the central issue of power-sharing at the Centre to which the Catholics—and the British Government—are firmly wedded. The two sides are still miles apart and it seems unlikely that the gulf between them can be bridged. Yet so long as the talks are going on either in private or in the Convention itself, the resumption of the IRA's campaign and a further hardening of the Protestant position are delayed; and in Ulster time means lives.

Hard core

The question is beginning to become acute, however, of what the British Government intends to do with the time gained or what action it proposes if the talks break down. Mr. Merlyn Rees, the Northern Ireland Secretary, may well be justified in encouraging the continuation of the IRA ceasefire by proceeding with the steady release of internees from Long Kesh, but he is paying a price. The trouble is not so much the security consequences of freeing hard-core IRA professionals, for it is fairly clear that keeping them inside has not appreciably reduced the level of IRA activity. Nor need Mr. Rees worry too much about Mr. Airey Neave's veiled threats that the Conservatives will end their support for his policy. While Mr. Whitelaw is Deputy Leader it is hard to see any abrupt change in Tory policy.

The real problem is that in Ulster the release of the internees is seen as only part of a wider preparation on the part of the British Government for withdrawal if the Convention fails. The proposition that the departure of British troops would cause the two sides to face reality and reach agreement still deludes some British politicians and perhaps the British public; but precisely the opposite conclusion is far more plausible. Unless Ulster is convinced of Westminster's determination to hold the ring for an indefinite period, the chances of constitutional progress are remote indeed.

Going down rather faster

YESTERDAY'S batch of economic indicators confirms the impression already given by the unemployment figures and the latest CBI survey of industrial trends, that the domestic recession is now rapidly becoming deeper. The provisional index of industrial production for June has fallen back to its average-1970 level of 100 and is now some 10 per cent. below the peak touched in 1973 and 8 per cent. below the levels of mid-1974. In the second quarter of this year alone, manufacturing production dropped by some 4 per cent. and that of industry as a whole by little less. As might be expected, however, different sectors of industry are moving into recession at different speeds. While the index of production for consumer goods in the second quarter was some 7½ per cent. below the 1973 peak, that for investment goods was still only some 1 per cent. down. Much the largest drop—nearly 12 per cent.—was in the miscellaneous category of intermediate goods, whose weighting amounts to well over a third of the total index and which is particularly affected by destocking.

The fall in consumer spending, which is much the largest single category of demand, is partly responsible for this drop in industrial output. The retail sales figures have been distorted recently by the boom in April to anticipate the higher rates of VAT announced in the Budget and a sharp relapse in May, from which there has since been a modest recovery. Sales in the second quarter as a whole were 2½ per cent. lower in volume, seasonally adjusted, than in the first, when they were already slightly down on the first quarter of 1973.

Less spending

Within this overall total, there has been a steep fall during the past couple of months in sales of durable goods shops, concealed in the quarter-to-quarter comparison only because the April boom was concentrated in this sector: the index rose from an average of 130 in the first quarter to 185 in April, but averaged only 104 during May/June. The volume sales of food shops, which are important because they account for over 40 per cent. of all retail sales, have dropped by 4½ per cent. from last autumn's peak.

The hire purchase figures show that the credit sales of retailers rose and fell at the same time as the total sales of durable goods shops, but much less violently. It must be borne in mind, however, first, that these HP figures are in money terms and take no account of inflation and second, that the total money debt outstanding has fallen since the turn of the year. In real terms, consumers are repaying debt on a sizeable scale.

Input prices

The wholesale price indices are perhaps the most important of all indicators at present. So far as output prices for the home market are concerned, the average price of manufactured foodstuffs continued to rise slowly and that of other manufactured goods—the main price rises in July were in the motor industry—only slightly faster than in the two previous months; but the average level of output prices generally during the four months to July was 6 per cent. higher than in the first quarter. So far as input prices are concerned, the position has suddenly worsened—the raw materials of the food industries rising in price by 3 per cent. in July alone and the raw materials of other manufacturing industries rising by 2 per cent. The depreciation of the pound against the dollar is partly responsible for this trend, especially in the case of oil. But we may also have to reckon with higher world prices for foodstuffs and raw materials before long, partly because of natural shortages, partly because of the incipient recovery in industrial activity elsewhere.

Bridget Bloom reports from Lagos on events since the ousting of General Gowon on July 29

Nigeria's peaceful coup puts new faces to old policies

"IT'S THE nearest thing to a constitutional change of government you could have, given the absence of elections." That was the comment of one diplomat from a Western democracy on Nigeria's third military coup in ten years. Even some of the coup leaders seem to have seen it in these terms. When asked whether Nigeria's ambassadors were to be recalled for a briefing on the government change, one is reported to have replied: "Margaret Thatcher wouldn't do it if she had just taken over from Harold Wilson. Why should we?" The parallel with Britain, though hardly precise, is significant. Whatever other reservations Nigerians may have, many see the bloodless coup of July 29 as a sign of the country's growing political maturity.

In a turbulent country, to say nothing of the Continent, it stands as a record. Nigeria has been in the charge of its 250,000-strong armed forces for almost ten years. The Forces got there bloodily and established themselves through a bitter civil war. Yet on July 29 there was no bloodshed, no detentions, no house arrests even. Fewer than 30 officers have been retired, all of them on full pension. Counting the mainly civilian governments in the 12 States, less than 200 people have been removed from office and some 50 so far put in their places. There was very little apparent tension even on the day of the coup. To-day, in Lagos and elsewhere, there is none.

Limited aims

The coup makers were lucky and careful and were helped by their essentially limited aims. A small group of colonels, all aged around 30 who had held middle ranking positions during the civil war, decided some months ago that the army regime under General Gowon was losing credibility, in the country at large as in the army itself. Broadly, they charged it with failing to rule Nigeria with military efficiency and of failing to give the country a firm sense of direction. Specifically the colonels charged General Gowon and his senior colleagues with failing to pay due attention to the army itself.

The anatomy of a coup, even a bloodless one, is never fully known by an outsider and certainly not within days of it happening. To-day there are several versions circulating. One is that those now in top positions, including the new Head of State, Brigadier Murtala Muhammed, did not plan the coup and may only have learnt about it a day or two before it happened. Another, perhaps more likely version, is that, while Muhammed, and possibly another key figure, Brig. Danjuma, did know and would well have had a hand in its planning, the majority of those now in power knew only some 24 hours in advance.

Whether or not General Gowon knew of the coup immediately before he left for the

Nigeria's new Head of State, Brigadier Murtala Muhammed (centre, front), was chosen because he was felt to be the most acceptable to the army. Pictured with him in Lagos are the new governors of the country's twelve States. Front row, left to right: Lt.-Col. Umaru Mohammed (North West), Capt. A. S. Lawal (Lagos), Brig. Olusegun Obasanjo (Chief of Staff, Supreme Headquarters), Capt. Akin Aduwo (West), Col. Ibrahim Taiwo (Kwara) and Lt.-Col. Usman Jibrin (North Central). Back row, left to right: Lt.-Col. Zamani Lekwot (Rivers), Col. Anthony Ochefu (East Central), Lt.-Col. Mohammed Buhari (North East), Col. Abdulahi Mohammed (Benue Plateau) and Lt.-Col. Sani Bello (Kano).

Organisation of Africa Unity summit in Kampala (he has said that he was aware of a movement against him but decided not to risk bloodshed by resisting) there is no doubt that in recent months he had become isolated both from the army and from civilian advice. Just how isolated was shown when Lt.-Col. Garba, Commander of the Brigade of Guards responsible for General Gowon's own security and a man from his own area, broadcast the news of the takeover on July 29.

The story goes that in the last year Col. Garba, as well as some other officers and civilians, had several times attempted to explain their grievances to the Head of State without success.

As far as can be judged, by the morning of July 29 the coup makers were sure that they had the support of the key commanders of the three army divisions, although none of the Service chiefs knew anything until the radio broadcast. (They subsequently assembled in the house of Vice-Admiral Wey and were treated correctly and with dignity, according to one of them). To the extent that there was no resistance, the Colonels' gamble paid off: but then came the complicated process of working out precisely who was now to rule Nigeria.

The colonels themselves appear to have refused top office largely because they feared the divisive effects of retiring all those of the rank of Brigadier and above (rather than as happened of Major General) the choice of new leader was between four men: the two who could have had a hand in the coup—Brig. Muhammed and Brig. Danjuma then comanding the Third Division, Brig. Obasanjo, Head of Engineers and formerly Commander of the Third Division, and Brig. Bissala, then Head of the Defence Academy and a former First Division Commander.

Brig. Muhammed was chosen because, despite his controversial and abrasive wartime reputation, he was felt to be most acceptable to the army and, in the words of one of the colonels in the conclave that day, was particularly believed to be the "pushful" personality that was now needed.

But if the colonels managed within a relatively short time to decide who should succeed General Gowon (and were able to agree swiftly on the posting of the three "rejected" brigadiers, all of whom now hold key posts) it seems that they had no precise programme to substitute for that of the old Government. One issue rankled with them all: the state governors, many of whom had been their colleagues, had been in office since 1967 but the way they had latterly run the states as (to quote Brigadier Muhammed) "private estates" was bitterly resented. General Gowon had promised to remove them and had not done so. This was seen as the unforgivable sin among the many sins of omission and the 12 men were summarily removed. Some of the colonels (though not the key coup makers) have now taken their places; although it is clear that the new Government intends to curb their power. They are now responsible not to the Head of State but to the Chief of Staff, Supreme Headquarters, Brigadier Obasanjo, now popularly dubbed as Prime Minister. They have also been excluded from the top governing body, the Supreme Military Council. The Federal Executive Council, although Colonel Garba and his colleague coup leader Lieut-Colonel Yar A'Dua are both on it, is intended to be a subsidiary body, while the new Council of States has not yet been appointed.

So far then the new Nigerian Government has changed personalities rather than policies. On available evidence it seems likely to continue that way. In the short-term, they are looking for action, but even that means putting into effect policies laid down but unfulfilled by Gen. Gowon. The appointment of a panel to look into the necessity or otherwise of creating new states, while popularly acclaimed as decisive and without doubt a vital step if the country is ever to return to civilian rule, was on Gen. Gowon's programme. Though no decision has been announced on a new one, there was great sense in abandoning the contested 1973 census (army dignity was again affronted here, for Gen. Gowon had promised but failed to provide for an honest and universally accepted count, so important for the allocation both of revenue and political power). Similarly, the postponement of the Black Arts Festival has been popular, not least in the army, where the very slow barrack building programme is seen as a much more important use for scarce cement than prestige stadia.

Other problems—such as what to do about soaring inflation, or the precipitate decision by General Gowon to introduce universal primary education next year—are bound, as the new men settle into their new jobs, to take more time to resolve. But there is no indication at the moment that the new Government intends to change the policies of the Gowon Government, whether in the running of the domestic economy or of foreign policy.

The principal concern of the next few months must be the viability of the new Government.

Two, quite possibly contradictory, aims of the new men stand out. It is clear, from their public statements and private conversations, that the colonels want this regime, in contrast to the last, to be both firm and decisive. Yet, also in contrast to the former regime, they want it to be one where decisions are taken collectively. This could exacerbate the obvious sources of tension in the new leadership structure. The colonels clearly intend to keep a close watch on the brigadiers, the most forceful of whom they have named Head of State. Murtala Muhammed's reputation in Nigeria is still as an impetuous talented, unsmiling and tough wartime commander.

The new Government probably has a "honeymoon period" of three to six months in which to establish its credentials and its credibility. It will not be an easy task, if only because Nigerians are growing increasingly cynical about the prospects of their rulers—any rulers—fulfilling their promises. While, for example, this Government has not been as naive as Gen. Gowon, who five years ago promised "the complete eradication of corruption," it has committed itself in broad terms to cleaning up public life. Nigeria's Press always ready with advice, has suggested that there should be probes of past office holders, and a code of conduct for the new men. Most ordinary Nigerians, however, seem to believe, rightly or wrongly, that anyone who holds high office (civilian or army) makes sure he profits by it. It is difficult to find Nigerians who believe that the new Government is likely to prove radically different from its predecessors.

Given this cynicism, a more fundamental test for the new Government will be its attitude to its own future. In broad terms, it seems, the colonels and the brigadiers are agreed that the army must return to barracks, but the key questions of how and when have still to be agreed. In 1970, Gen. Gowon promised to return the country to civilian rule by 1976, last October he reneged on that promise. Nigerians are a highly political people and there can be no doubt that the new Government will rapidly lose credibility if it is unable quite soon to produce a clear policy on the issue of civilian rule. Nigerians are divided as to whether that policy has to include a firm date for the army's withdrawal, many civilians think it must, many army officers are wary. What is certain is that this Government must lay down the groundrules for a phased return to representative government with the greatest care and precision.

Diminished tension

Just two weeks after the coup, inevitably there are many unanswerable questions. But whatever Nigeria's new rulers decide as they get down to governing Africa's most complex State, the coup and its immediate aftermath highlights one profoundly important point: In the past, Nigeria's political convulsions have stemmed very largely from tribal and regional tensions. These have not disappeared, but last month's coup does seem to show that they have diminished. In ordinary conversation few Nigerians, though they may have had fears for the first few hours, now spend time analysing the coup in tribal terms.

Among the reasons for this are the bitter lessons learnt from the civil war, and the diffusion of tribal tension over the past eight years following General Gowon's creation of 12 States out of the old Four Region Federation. The country's greatly increased wealth is another factor. But Nigeria to-day faces so many problems that it would indeed be a hopeful sign if last month's coup really does prove that tribalism is no longer the determining factor in political change.

MEN AND MATTERS

Portugal: Norwest labours on

The Norwest Holst decision to write £3.8m. off a £10.5m. land bank may be frightening to those with similar investments, particularly around Merseyside, or companies which capitalise interest charges. But the hard facts for residential developers are well enough known; what is more intriguing just now is being a residential developer in Portugal.

Norwest has written off £885,000, the whole of its investment in its Algarve villa-developing subsidiary. It has tax credits roughly offsetting this figure, but that doesn't mean the story is ended. For the problem with a building site in Portugal is that the workforce will continue building villas, if it so wishes, whether asked to or not.

At the moment, Norwest does not mind. The local bank has continued to send out the wages, though there is some doubt, at least in London, as to whose account is being debited. With a similar subsidiary, Richard Costain decided on voluntary liquidation in Portugal. Norwest is not, or not yet, contemplating this step. While it cannot claim to have full control over its own development any longer, it is convinced that the value of unsold villas at least covers the local bank borrowings and guarantees under which work goes on.

So Portugal, while no joyride, will not prove the biggest headache for Ted Brian, the chief executive who arrived six months ago from Trafalgar House, where he ran the Trollope and Colls and Cementation International companies. Whether Brian would have made that move if he had known the full extent of Norwest's troubles is now an academic question. As it is he (an accountant by training) and ICFC, the advisers with a 3.4 per cent. equity stake, say they have been ruthless enough to make further provisions next time around unthinkable.

The cost is heavy, causing the ratio between borrowings and shareholders' funds to comfortably exceed both the Articles of Association and the Loan stock terms. The stockholders will doubtless be able to twist the Norwest arm painfully at the meetings shortly to alter borrowing limits.

Britain's riot advice

Even if the results have not counted for much, Portugal's elections earlier this year were conducted in an orderly atmosphere. Some credit for that comes to Britain, where the Portuguese obtained advice on how to organise the polling process. Events have moved on more worryingly from that, and now political troubles have spilled over into rioting.

Once again, though, U.K. help may be drawn on. It emerges that in February, before the Portuguese election, a small team of army officers came to Britain to see how the army here provides support for the civil power to maintain law and order, developments in Ulster (and to some extent at Heathrow Airport) having given British soldiers the chance to get clued up.

What Whitehall officials resolutely decline to say is who the officers were (an intriguing question in view of the subsequent disputes among Portugal's military) or where they went. Doubtless Britain's indomitable force of pet lovers would be anxious to hear that the advice did not include how to shift obstinate dogs in view of the picture used by a couple of papers last week showing a soldier in Oporto apparently shifting a politicised mongrel with a sharp kick.

Dropping Ford

You would think Ford of Britain would be well-loved by advertising agencies if only for the size of its budgets. But in April Collett Dickenson Pearce dropped the motor giant's £1m. car business and now the same thing has happened with the trucks division, an account that "averages £250,000."

The agency concerned is J. Walter Thompson, biggest in the U.K., and the statement from both sides is that they will "cease working together from January 1." As with CDP, JWT has held the account since 1967 and both sides stress how enjoyable the working years have been. Discussions over several weeks still resulted in JWT feeling that "the expenditure does not provide an adequate return on the facilities needed to service the account." The agency has what it calls "17 front line troops" giving their attention to Ford (among other clients) so it looks as if the relationship foundered on the question of a fee over and above the commission earned from media. It is pretty rare to see £1m. and £250,000 accounts dropped by agencies and even odder since JWT acts for Ford in some capacity in most countries of the world.

JWT was in the running for the car side in June when it was won by Ogilvy Benson Mather, which had originally pitched for Ford in 1967. The coming parting leaves JWT free to go for another motor account; the merry-go-round goes on.

Little learning

It is a bad time to knock brokers, but did you know that a stockbroker is a man who knows very little about a great deal and keeps knowing less and less about more and more until he knows practically nothing about everything? Whereas an investment analyst is a man who knows a great deal about very little and who goes along knowing more and more about less and less until he knows practically everything about nothing.

The client starts out knowing everything about everything, but eventually reaches a level where he knows nothing about anything, due to advice he receives from brokers and analysts.

Observer

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The decline and fall of City rents

By JOHN TRAFFORD, Property Editor

NEVER IN London's long history as a business centre have there been as many empty offices as there are to-day. The country's economic problems are having a profound effect on every sector of business, but there can be few which have felt the icy winds more strongly than the property development companies which constructed so much new office space in the City and the West End to meet the supposed boom that Britain's entry into the EEC would bring about.

The boom has not come, but the offices have, both in new and in renovated buildings. It has usually been even less attractive for developers to abandon their projects before completion than to complete them.

Figures just published by the City estate agents, Richard Saunders and Partners, for offices in the City, Holborn, E.1 and S.E.1 show a rise of 229,000 square feet in space available for letting since the beginning of July, the sixteenth consecutive monthly increase in office availability. Total office space now available in the area is, according to the agents, 3,856,000 square feet—easily the highest figure recorded since the survey was begun in 1972.

Available

Although there are no comparable figures compiled for the West End, property agents agree that there is a very large supply of offices available there too. Underlying this trend is Britain's current economic problem. Many of the smaller London office users—stockbrokers, solicitors, architects, advertising agents—have merged or closed down.

Bigger office users, particularly the insurance companies and commodity traders, have moved a large part of their operations out of London. Two of the largest insurance brokers have opened offices in East Anglia this year: Willis Faber and Dumas now employs 1,100 people in Ipswich and Bland Payne some 800 in Norwich, with the majority of jobs being filled by local clerical staff. The large inflow of foreign banks and international oil companies setting up a London base—both very much a feature of 1973—has dropped to a trickle.

Rates rise

The slack demand for office space has been aggravated by the rapid rise in rates. Only five years ago it was possible for a London-based company in effect to disregard rates and services and to think of office costs in terms of rent alone.

Quite often rates only amounted to 12-15 per cent. of rents, and service charges were lower, perhaps 3 per cent. All that has changed. The agents Debenham Tewson and Chinnocks estimate that in the current year companies may be paying the equivalent of 45-50 per cent. of their rent outgoings in rates and a further 6 per cent. in service charges. With rates set for a further rise in the coming year and with the present sharp fall in rent levels, it could well be that rates will account for a sum equal to 70 per cent. of rents in the next financial year—if not more.

This alarming increase in non-rent outgoings has made companies even more aware of the total costs involved in running an office in central London. The attitude commonly now found appears to be "£X is the sum we are willing to pay for office overheads. If rates and service charges go up, we shall just have to pay less in rents."

Survey

The rate increases and the "defreezing" of business rents last March have encouraged companies to think again about expanding in the London area. Only yesterday the London Chamber of Commerce published a survey of 300 manufacturing companies in London and the South East. Forty-three per cent. said their accommodation costs had risen by between 26 and 50 per cent. in the past year while 21 per cent. said that costs had gone up by more than 50 per cent. Over half the respondents said the increases would lead to less expansion while 24 per cent. said that any future expansion would be outside the South East; 12 per cent. intended to move out of the region.

Not all companies have taken the rate increases lying down. There have been a number of successful applications by commercial companies for a reduction in their rateable values on the basis that notional rent levels have fallen. The applications have been upheld by the District Valuer but may still be rejected by the local authority.

At the height of the property boom in late 1973, the best City offices were letting at around £22 a square foot and prime West End offices at £17 a square foot—both some 50 per cent. up on the levels ruling a mere 12 months earlier. But just as the rise in rents was more violent than the market had expected, so too was the decline which set in just ahead of Lord Barber's proposals in December, 1973, for the introduction of a Development Gains Tax and an associated first lettings charge.

Rent levels have plummeted, often by 30 per cent. or more, from the high point reached in 1973. When inflation is added to the calculation, the fall in the true value of rentals has probably reached 50 per cent. in many cases. Amalgamated House, the former headquarters of the Port of London Authority in the City and now refurbished to become the prize of the Amalgamated Investment and Property portfolio, illustrates the story.

While Amalgamated were refurbishing the property and building a new central office block in the enclosed courtyard, they received offers to take some of the space at £16 a square foot. The asking rental at the time was £18 a square foot and the developers turned the offer down.

Completed

The building work has now been completed for nearly six months and still no tenant has been found: rent levels achieveable in that part of the City have now probably fallen to £13 a square foot or lower. With the prospect of still further increases in interest rates, there is the possibility although there is no sign of it yet, that the banks might start to exert pressure to see that unlet properties are occupied even if the tenancy agreement does not yield the hoped-for profit for the developer. A number of "forced lettings" would inevitably have a depressing effect on the whole office rents market in central London.

For the time being the real weakness in the lettings market is to be found at the lower end of the scale, in small offices in the range from 500 to, say, 10,000 square feet, capable of accommodating from five to perhaps 100 staff. This is where the real glut at present lies. Even in a prime West End location like Berkeley Square House, in the heart of Mayfair, asking rents for small suites are now down to around £8-£9 a square foot.

The lack of a differential between central and suburban London is unlikely to last, however, because much of the argument for relocation from central London has revolved around the attractions of paying lower rents and rates. A fortnight ago one Croydon agent, Alan Best, expressed the view that suites between 5,000 and 10,000 square feet are now worth well below £7 a square foot "and landlords may well have to accept rents under £6 a square foot if lettings are to be achieved." Interestingly enough, the agents felt that rents of over £7 a square foot could still be achieved for offices of less than 2,000 square feet.

Conversely, the larger (say, 40,000 square feet and upwards) modern fully air-conditioned offices are faring rather better. There are fewer of these units around, in relation to demand.

A prime example was the letting of the 90,000 square feet Strand Wing of the Legal and General Capital and Counties development called Arundel Great Court, between the Strand and the Embankment. Chemical Bank finally took the space after months of negotiations for a figure equivalent to rather over £14 a square foot for the office content—down, admittedly, on the market peak but substantially above the £9-in-the-West-End, £12-in-the-City gossip currently bandied about in property circles.

Polarised

Another example of the same trend was in evidence last week. The Metropolitan Police revealed that it had agreed to pay around £7.50 a square foot for the 91,000 square feet of a modern office block now being completed by Raglan Property Trust in Putney High Street. At first sight such a figure might seem rather high in relation to West End rent levels. But on consideration it is easy to see that there are indeed few offices of this size and high specification on the market at the present time, despite the massive over-supply which the figures put out by Richard Saunders and other agents suggest.

We are, in fact, witnessing a considerable polarisation of the London office lettings market. Large, modern high-quality office space is moving, if slowly, at rents which are discernibly closer in percentage terms to rents at the market peak than are the smaller, less-sought-after properties.

All the indications are that in the coming years industrial development is going to be the investment area most favoured by the Government. The service industries — banks, insurance companies, and professional advisers—who are among the prime users of London office space are unlikely to enjoy comparable expansion. Demand for space will also fall if the Government finally succeeds in curbing the expansion of Whitehall and local government bureaucracies.

The trend towards employers giving more space per employee which has been in evidence since the war could, under extreme financial stringency, be halted if not reversed. This too would have a marked effect on the demand for accommodation in London.

Total stock

Under normal circumstances it would be reasonable to expect rents to bottom out quite soon, since virtually no new development is now being started and the Greater London Council last January in effect limited new office development in Central London to a mere 3m. square feet between 1976 and 1981. This must be set against a total office stock of some 200m. square feet.

Yet because of the many uncertainties none of the leading office letting agents is willing to hazard more than the haziest guess about the date when office rentals will begin to pick up (and, by inference, the stock of unused office space begin to decline). At the back of their minds may be the view expressed by one property developer last week: "The way the economy is moving, I believe that many of the less favoured office blocks are going to stand empty for many years."

Terry Kirk

The slack demand for office space has been aggravated by the rapid rise in rates.

Letters to the Editor

Companies in liquidation

From Mr. B. Lewis

Sir,—The increasing number of bankruptcies and liquidations of public companies has highlighted some of the inadequacies of the system for ensuring that shareholders, particularly minority shareholders, are informed of what is happening before an irrevocable decision is made.

The announcement of liquidation is seldom posted to individual shareholders, and there may well be many people who continue to be proud owners of worthless certificates! It seems distinctly odd that there is no legal obligation for shareholders to be involved prior to and at the moment of ceasing to trade.

Once the liquidator is in charge, it is understandable that he feels little reason to communicate with the shareholders, who as owners of the company have to bear the blame for failure and who perhaps are lucky to have their debts strictly limited by law.

Liquidation sometimes follows annual reports that give very little if any inkling of disaster ahead, and the question must be asked how can shareholders be involved if they are never aware? This of course raises a query on the responsibilities and duties of directors of public companies between the issue of a regular report and the moment of demise.

If shareholders are to be more fully involved in the running of companies which they own, then it does appear to be important for there to be some coherence between the regular company reports of the directors and the outcome. Where such coherence is lost, then it should be a duty for directors to advise all shareholders—not only the majority shareholders — in advance that a decision on liquidation is imminent.

B. A. Lewis.
53, Matlock Way,
New Malden, Surrey.

More details on unemployment

From Mr. C. Leicester.

Sir,—I would be grateful for space to make the following two comments.

First, Peter Foster (August 7) is absolutely correct in reporting our view that some of the calculations by the Centre for Policy Studies based on the unemployment figures are suspect. But it is astonishing that one of its main errors should recur in the article by Samuel Brittan ("The collapse of full employment policy") in the same edition. Mr. Brittan's column I had always read for its perceptive and stimulating commentary, but he is absolutely wrong in assuming that all of those unemployed for less than four weeks are excluded from his concept "long-term unemployed among the active population." His final figure should be at least 130,000 greater, accordingly.

His error lies in confusing the following: the duration of unemployment of an individual *up to a certain date* and the total length of time that person will have spent on the register *by the time he leaves*. To use a demographic example, it is the equivalent of saying that children under the age of 10 will only have a life expectancy of around 10 years.

Second, Mr. Brittan is incorrect in saying that the Department of Employment has started publishing "adjusted" unemployment figures. I cannot really speak for the Department, but I would suspect that the traditional taciturnity of Government statisticians may allow this assertion to go unchallenged. What seems to be happening is that the DoE has successfully achieved a substantial increase in the amount of detail now available for a monthly series of data published very rapidly after the actual event it describes. The main pay-off is to provide a richer basis for a fuller understanding of why different groups of workers happen to be unemployed at the present time.

Accordingly, we are in a better position to make a proper interpretation of the situation and to move towards that package of policies which might cope more effectively with the new post-Keynesian situation of high unemployment. By themselves, the new figures from the DoE beg no question about any single interpretation being right; or any unique policy being the correct one to implement. They have not in any way been tampered with.

At the end of the day, the following fact cannot be disputed: the number of registered unemployed in the U.K. is curently in excess of 1m.

Colin Leicester.
Senior Fellow,
Institute of Manpower Studies,
University of Sussex,
Mantell Building,
Falmer, Brighton.

Surcharge on surtax

From the Chairman,
The Board of Inland Revenue.

Sir,—In your issue of August 8 you published a letter from Mr. R. Holder about the surtax surcharge.

This topic is one about which Mr. Holder has been addressing letters to the Press for some considerable time, and indeed you published letters from him in October of last year and March of this year. Our Press Officer answered his March letter a few days later, but for the benefit of any of your readers who may have missed the earlier correspondence, I should like to repeat, first, that there is no foundation in Mr. Holder's allegation that the demands issued by the Inland Revenue for the surtax surcharge are legally defective: and, second, that—allowing for the normal processes of dealing with appeals, correspondence, etc.—we have at no time hesitated to take proceedings for the surcharge, in just the same way as to surtax generally.

Mr. Holder refers to a recent decision of the Courts in relation to sewerage rates. This decision, we are advised, has no relevance whatsoever to the validity of the surtax surcharge.

Norman C. Price,
The Board Room,
Inland Revenue,
Somerset House,
Strand, W.C.2.

Trades union directors

From Mr. P. Liddiard.

Sir,—The letter from Mr. Greener (August 8) under the heading "Trades union directors" contains a number of misconceptions which suggest a lack of appreciation of the normal structure of industrial companies. These ideas do not help in getting an objective approach towards adapting the structure of companies to fit our modern rapidly changing conditions.

Mr. Greener confuses directors with executives. Often a single person performs both roles, which are completely different, whatever his title in the company, and it is important to appreciate this difference. Far from the directors being "employees of the company," they are, under current British law, collective owners. They are responsible for determining the overall policy of the company and for appointing the executive management which has the role of translating the Board's policy into profitable growth and stability for the benefit of all concerned with that company.

Other industrial countries in Europe have modified their company laws. The shareholders are joined on the Board by others interested in the well-being of the company, notably employees, who should have an equally strong interest in the profitable growth and stability of the enterprise. It is obvious that in the changing social environment in the U.K. similar (but not necessarily the same) changes are going to take place. These new directors will have to be equally responsible in their director roles for the decisions of the Board as are their shareholder colleagues. There can be no authority without responsibility.

With this concept the second paragraph of Mr. Greener's letter does not make corporate sense since he has confused the executive role with that of a director. Equally, his suggestion given in the third paragraph for restructuring to provide a governing body responsible for "hiring and firing the Board of Directors" is as uninformed on company structure as it is unworkable.

Finally, directors do not all have to be trained in management techniques any more than they have need of complete understanding of every facet of a company's activities. Directors from wherever they are drawn must be able to contribute towards the creating of overall policy each from experience gained in a particular field, be that financial, employee, technical, marketing, etc., but with a sufficiently good intelligence to be able to arrive at collective decisions by appreciation of and confidence in the views of his Board colleagues.

P. D. Liddiard,
"West Wind,"
Stratford Road,
Longbridge, Warwick.

Safety at work

From Mr. D. Gregory.

Sir,—With regard to Mr. Cartwright's letter (August 6) a number of points have to be considered in the light of his fears that a rigorous application of the Health and Safety at Work Act 1974 may well result in factory closures, particularly of small firms who cannot afford costly safety measures.

Firstly, the new Act will only be rigorously applied if there are a sufficient number of factory inspectors. At the present time this is clearly not the case. Something like 500 inspectors active in the field have to police over 200,000 registered premises. Consequently, the hard pressed inspectorate have dropped their attempts at annual factory visits (something which they never achieved anyway) in favour of selective in-depth monitoring of more obviously "high-risk" firms. This is likely to leave small, supposedly "low-risk" firms far more to their own devices — unless of course workforce vigilance demands that the factory inspector is called in.

Secondly, as the Institution of Professional Civil Servants, the appropriate trade union for factory inspectors, has recently pointed out, the operation and effectiveness of the Act and in particular its coverage of the extra 5m. persons embraced by it from April 1 this year, is likely to be very seriously hampered by public sector cut-backs.

Thirdly, there is little chance that the official promise of increasing the inspectorate by 50 per cent. in the next five years will be honoured: (a) a supply of suitable recruits is problematic; (b) shortage of public finance; (c) a critical lack of training capacity. All these points have recently been admitted in the annual reports of HM Chief Inspector of Factories.

For all these reasons it is unlikely that the Health and Safety at Work Act will play anything other than a marginal role in factory closures. The real nub of the safety problem is, however, amply illustrated by Mr. Cartwright both in the quote from the local Press covering the closure of a woollen manufacturer, and his citation from a "senior official of one public body." These reveal clearly that industry and leading personnel in industry still put profit before the safety of the workforce. An attitude which has caused the death and disablement of tens of thousands of British workers, which cannot be justified on any economic grounds and which the new Act was hopefully aiming to progressively eradicate.

In the final analysis the "conventional wisdom" with regard to industrial safety has to be reversed—people must be put before profits. Like Mr. Cartwright I am not unaware of the costs of this. Perhaps as an addition to his suggested "Grants in Aid" scheme we ought also to institute an Industrial Safety Board (as an arm of the Health and Safety Commission) run on similar lines to the existing Industrial Training Boards.

Denis Gregory,
Research Officer,
Trade Union Research Unit,
Ruskin College, Oxford.

Interest-free loans

From Mr. A. R. R. Slack

Sir,—As a fairly keen investor over more than 60 years, I cannot help noticing that an increasing number of companies are dating their dividend payment for a Thursday and then posting them on that day by second class post, which means that the shareholder receives his dividend (if lucky) on the Saturday when all banks are closed and he has to wait till the following Monday before paying the cheque into his account, thus giving the company four days extra interest on their money but robbing the receiver of the same amount.

The larger companies still post so that the cheque is received on the day due or sometimes the day before but I think that it should be made clear that a dividend should be in the hands of the investor on the date due, not posted by second class post on that date, especially when a week-end intervenes.

A. R. R. Slack,
The Hurst,
45, Brockwell Lane,
Chesterfield.

To-day's Events

GENERAL

Parliamentary committee publish a report on motor vehicle industry.

Advertising Standards Authority issue new code for cigarette advertising.

Representatives of local authorities and Fire Brigades Union hold separate talks at Home Office with Permanent Under-Secretary in effort to settle their dispute.

Israeli delegation negotiates for U.S. military and economic aid, Washington.

Association of Natural Rubber Producing Countries meets to draft price stabilisation agreement, Kuala Lumpur.

Newcastle east city motorway opens.

Grouse shooting season begins.

COMPANY RESULTS

Acrow (Engineers) full-year.

Securicor Group (half-year).

Smith and Nephew Associated Companies (half-year).

COMPANY MEETINGS

Bassett (George), Sheffield, 3.30.

Davis (Godfrey), Crown House, N.W., 12.

Dwell, Winchester House, E.C., 12.

Electric and General Investment Trust, 11, Austin Friars, E.C., [illegible]

Pentland Industries, New Barnet, Herts., 12.

Standard and Chartered Banking, Tower Hotel, E., 12.

Walker and Staff, 6, Boundary Street, E., 12.

OPERA

English National Opera Production of the Magic Flute, Coliseum Theatre, London, 7.30 p.m.

BALLET

London Festival Ballet dance Prince Igor and Giselle, Royal Festival Hall, London, 7.30 p.m.

MUSIC

Henry Wood Promenade Concerts: BBC Symphony Orchestra, conductor Bernard Haitink (Walter Klien, piano) perform Haydn's symphony No. 86 in D major, Schumann's piano concerto in A minor, and Beethoven's symphony No. 5 in C minor. Royal Albert Hall, London, 7.30 p.m.

Tokyo String Quartet play music by Chausson and Brahms. Queen Elizabeth Hall, London, 7.45 p.m.

THEATRE

Merry Wives of Windsor, final production of 1975 centenary season, joins repertoire of Royal Shakespeare Theatre, Stratford-upon-Avon.

COMPANY NEWS + COMMENT

Gateway Securities profit up to £1.29m.

GROUP TURNOVER for the 53 weeks to April 5, 1975, of Gateway Securities expanded by 30 per cent. to £36.95m. and pre-tax profits rose from £962,000 to £1,290,000, including £336,000 from the increased investment—now 29 per cent.—in Bishops Stores. At midway group profits were £443,000 against £434,000.

Full year earnings per 25p share are shown to be up from 8.37p to 10.92p before tax, and from 3.99p to 5.81p after tax. The dividend is lifted from 1.037p to the maximum permitted 1.1007p net, with a second interim of 0.5382p.

	1974-75 £000	1973-74 £000
Group turnover	36,947	29,455
Trading profit	914	891
Share Bishops Stores	336	—
Interest	40	64
Investment income	—	7
Profit before tax	1,290	962
Tax	604	503
Net profit	686	459
Extra-ord. debit	28	—
Pre-acquisition	68	—
Pref. dividend	1	1
Attrib. Ord.	589	458
Ord. dividends	130	120
Leaving	459	338

Margin of net profit on trading, excluding interest and dividends receivable, was 2.5 per cent. compared with 3.1 per cent. This decrease was caused by sharply increased operating expenses which had to be met out of gross margins reduced by intensive competition as well as Government control, the directors explain.

An important step this year was the development of in-store freezer centres, they say. Eleven were operational at the end of the year and a further 12 have been opened since. Six more are planned.

Early in 1975, Gateway acquired the Ford and Lock group of food stores and the Pink Stamp organisation. The delay in announcement of the results was due to problems in settling the accounts of Ford and Lock at the date of acquisition for the purpose of agreeing the purchase price. Both Ford and Lock and Merchandise Promotions, after a major reorganisation, are currently trading on a profitable basis.

Trading during the first quarter of the current year has continued to expand at a satisfactory rate, and the Board is confident that subject to control of inflation, growth should continue.

● comment

Gateway Securities' true 1974-75 profits pattern is obscured by the inclusion of the increased holding in Bishops Stores and, excluding this full-year trading profits are only £23,000 higher on a 29 per cent. rise in turnover. Trading conditions of the original group have clearly been difficult and they have apparently remained so in the current year when operating costs have continued to shoot ahead. However, the group expects to bring two further acquisitions, Ford Lock and the Pink Stamp Organisation, into profits in 1975-76 and it is stepping up its programme of expansion into the freezer market. So, although there have been some cautious noises from Bishops recently, Gateway is still looking for a reasonable rate of growth this time, and, with its liquidity position little altered from that of the 1973-74 accounts (when net borrowings stood at just over £440,000), the group is still in a good position to take advantage of further takeover opportunities. At 26p the shares are yielding 6.6 per cent.

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Manchester Canal setback

REFLECTING THE world trade recession, steep rises in wages and supplies costs and disruptions in business at Manchester docks and Ellesmere Port, taxable profit of the Manchester Ship Canal Company fell from £2,012,783 to £743,943 for the half year to June 30, 1975.

Mr. D. K. Redfore, chairman, says the rest of the year will depend on more stable national economic conditions and improved world trade prospects. But the company's "sensible economies" and the new base of charges introduced, should help it weather present difficulties.

	First half 1975 £	1974 £
Operating revenue	7,669,197	7,840,318
Operating profit	471,095	1,616,338
Loan and invest. inc.	633,679	622,128
Surplus land sales	3,422	144,253
Profit sale of invests.	13,436	2,326
Making	1,123,632	2,391,143
Interest charges, etc.	379,659	378,362
Pre-tax profit	743,943	2,012,783
Taxation	354,940	937,668
Net profit	394,003	1,075,115
Pref. dividends*	139,999	139,999
Ordinary interim	225,365	225,306
Retained	28,469	709,611

* For full year—amount subject to legal advice.

First half earnings per £1 share are stated to be down from 27.5p to 9.4p. The interim dividend is unchanged at 6p—for 1974 a total of 11.871p was paid from profits of £3.55m.

● comment

On the back of reduced traffic volume, Manchester Ship Canal's operating revenue has fallen by 2 per cent. but costs have risen by 16 per cent.: without the benefit of profits on land sales, pre-tax profits have dropped by 63 per cent. However, the bulk of pay deals have occurred in the first half of the year and the company implemented a 10 per cent. increase in charges in July, following a smaller increase in April. Liquidity remains unimpaired and cash and short-term loans may not differ significantly from the 210p per share shown in the last balance sheet, but the uncertainties introduced by proposed nationalisation measures, at a theoretical price of 256p per share, continue to overhang the share price, which at 160p is nearly a third off the year's high for a yield of 12.2 per cent.

£0.4m. fall at Ault and Wiborg

AFTER RATIONALISATION costs of £110,[illegible] and interest charges up from £108,000 to £125,000, taxable profits of Ault and Wiborg fell from £912,000 to £513,000 in the first half of 1975. Turnover was up from £10.01m. to £11.34m.

The net interim dividend is held at 1.1023p. Last year's total was 2.17125p paid from pre-tax profits of £1.82m.

The costs of redundancy payments etc., to be provided in the full year are estimated at £220,000 of which one-half has been reserved in the first half results.

The group manufactures and markets printing inks, printer's rollers, paints and coatings.

Advance at AGB Research

TURNOVER, for the year to April 30, 1975, of AGB Research expanded from £4.42m. to £5.25m., and taxable profits advanced from £625,977 to a record £679,049 after £290,296, against £252,236, for the first half.

Tax absorbed £365,389 against £349,431, leaving £313,660 (£276,546) of which £312,114 compared with £273,643 is attributable.

Full year earnings are shown to have risen from 5.95p to 6.74p per 10p share and the dividend total is lifted from 1.9967p to 2.1689p net with a final of 0.3381p.

A one-for-eight scrip issue is also proposed utilising the share premium accounts—£36,908, and retained earnings—£22,512.

● comment

Labour costs bore heavily on AGB's margins in the second half of the year, particularly on ad hoc business which has felt the brunt of company retrenchment, and after a 15 per cent. gain at the interim stage pre-tax profits have risen by 3.5 per cent. on a 1.2 drop in margins. Continuous survey work, which accounts for the bulk of activities, has bypassed the slump in advertising demand and has a firm basis of index-linked renewals. Being entirely a goodwill business, the company is very dependent on cash flow and this has been sufficient to finance internal capital expenditure and provide since the year-end for a £100,000 European acquisition which should add around £30,000 to profits this year. After last year's difficulties the shares seem fairly placed on a yield of 9.7 per cent. at 34p, covered 3.2 times.

Expansion at Nolton Estates

FOLLOWING TWO takeovers in the past year, the directors of Nolton Estates are now actively exploring for other possible acquisitions in order to strengthen the earning potential of the group.

Chairman Mr. P. S. Dixon says that in order to provide a stable base from which to expand, he believes it wise to build a sound management and administrative structure.

This factor, together with the effects of inflation and the recession in the domestic economy, dictate that the chairman cannot yet give a firm prediction for the current year; but although it may prove a difficult one, Mr. Dixon feels that successful growth will continue.

As reported group pre-tax profit in the 15 months ended April 30, 1975 amounted to £233,082 (£98,491 for year). An analysis of turnover—£715,894—and profit shows:—property investment and trading £137,387 and £136,528; money broking £146,951 and £11,205; and electronic equipment £431,466 and £85,349.

During the year the directors continued to dispose of ground rents to actual occupiers and have taken all necessary steps to increase rental income as leases come up for renewal.

In addition, although the present economic climate has been unfavourable the development market is under continual scrutiny so that the group may be in a position to take advantage of any suitable opportunity at the right time, says Mr. Dixon.

The company also announces a scrip issue on the basis of one-for-four.

A.Indonesian strong in cash

WITH ITS "useful cash resources" The Anglo-Indonesian Plantations is in a strong position to take advantage of any attractive situation that may be found, says the chairman, Mr. Michael Nightingale.

During 1974 a number of projects in the U.K. were closely investigated, but none has yet fully matured.

On prospects he points out that, while it is encouraging that rehabilitation of the estates should have enabled the group profit before tax to be increased from £124,955 to £333,534 for 1974, the profits were not subject to tax in Indonesia and were set off against losses brought forward in the UK.

Past tax losses have now been exhausted and as from January 1, 1975 the company became liable for corporation tax on all its trading profits and on dividends remitted to the U.K. by overseas subsidiaries. In Indonesia the tax holiday enjoyed by P. T. Tatar Anjar Indonesia will come to an end in April 1976. A double tax agreement between the U.K. and Indonesia has recently been ratified and this will be helpful, he adds.

Further substantial progress was made by the joint venture company, P. T. Tatar Anjar, whose profit increased from £60,000 to some £234,000, of which about 30 per cent. is attributable to Anglo-Indonesian.

Regarding the successful offer for The Ampat (Sumatra) Rubber Estate Mr. Nightingale says the estate contains a large quantity of young rubber trees which should be profitable in the years ahead.

As known the Anglo-Indonesian dividend for the past year, already paid, was 2.5p net (nil).

At end 1974 Arbuthnot Latham Holdings and its associates held 23.58 per cent. of the capital. On March 7, 1975 it was announced that 716,000 shares had been sold by Arbuthnot Latham to its associate, East and West Investment Trust, making the total holding of that company 786,000 shares (23.16 per cent.).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
AGB Research	0.34	Oct. 13	0.98	2.17	2.0
Ault & Wiborg ...int.	1.1	Oct. 15	1.1	—	2.17
Caledonian Trust	0.8	Oct. 7	0.79	1.3	1.23
Caledonian Trust ...int.	0.5	Feb. 7	0.5	—	1.3
Commercial Union ...int.	2.53	Nov. 17	2.6	—	6.85
Dawson & Barfos 2nd int.	1.09	Sept. 20	1	1.44	1.36
Ellis & Everard	1.75	—	4.2	3.0	6.53*
Evode ...int.	0.65(b)	Oct. 7	0.54	—	1.74
Gateway Secs. ...2nd int.	0.54	—	0.54	1.1	1.04
Gold Fields S. Africa ...	150(a)	Sept. 30	115	225	150
Hillards	0.61	Sept. 30	—	2.71	2.52
M'chester. Ship Canal int.	6	Oct. 13	6	—	11.87
Norwest Holst	Nil	—	1.47	0.88	2.35
J. E. Sanger	3	Oct. 1	2.2	3.75	2.2
Witbank Colliery	11.5(c)	Sept. 16	11.5	23	23

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Name corrected. Dividend's in South African cents. (b) Increased to reduce disparity. (c) South African cents.

Evode up £66,000 at midway

MANUFACTURERS of adhesives, jointing compounds, etc., Evode Holdings, reports first half pre-tax profit up from £493,485 to £559,079, on a turnover of £7.58m., against £6.13m.

The directors consider the results "satisfactory against the present economic background." Profit for the year to September 28, 1974 was £1.24m.

The interim dividend is stepped up from 0.536p to 0.65p net per 20p share to reduce disparity. Last year's total was 1.742p.

	26 weeks 1974-75 £	1973-74 £
Group turnover	7,578,987	6,128,549
Trading profits	544,332	444,485
Share associates	14,747	48,990
Profit before tax	559,079	493,485
Taxation	265,940	233,388
Net profit	293,139	260,097
Interim dividend*	47,981	38,683
Balance	245,158	221,414

* After waiver £3,700 (£3,979).

● comment

Evode has managed some growth in sales volume and a 13.3 per cent. increase in interim profits despite tough conditions in many of its markets. Sales to the building industry are down, but Evode is holding its market share and gaining some growth in the DIY supplies field. Meanwhile, the company is increasing its share of a smaller market in industrial adhesives, even though demand from the shoe industry has followed the downward slide of that industry's fortunes. Elsewhere the U.S. has moved into the black, while exports have shown some substantial growth (the latter being distorted by the three-day week in the comparable period). As a whole, the divisional performance will be variable, but there is probably enough steam left to take the annual profits £150,000 higher. At 46p this indicates a prospective p/e of 5.4 and a maximum yield of 8.3 per cent.

Ellis & Everard downturn

ON A TURNOVER up from £22.23m. to £24.85m., pre-tax profit of Ellis & Everard decreased from £1.1m. to £0.6m. in the year to April 30, 1975.

Last February, when reporting first half profit down from £0.44m. to £0.29m., the chairman, Mr. A. J. Everard, said both the building supplies and chemical divisions anticipated better trading results in the second half, unless there was a further marked downturn in the national economy.

Stated earnings decreased from 9.24p to 3.1p for the year, and the dividend is reduced from 6.53p to 3p net with a final of 1.75p.

	1974-75 £	1973-74 £
TURNOVER:—		
Building materials	16,298,455	16,307,331
Fuel	1,037,084	995,558
Chemicals	7,509,577	4,922,121
Total turnover	24,845,116	22,225,010
Profit before tax	604,672	1,096,601
Taxation	280,780	479,116
Deferred tax	43,389	86,355
Tax overprovision	16,868	69,451
Extra-ordinary items	12,215	198,328
Net profit	300,261	789,529
Minorities	88,120	—
Attributable	212,141	789,529
Preference dividends	2,793	2,793
Ordinary*	194,086	404,772

* Retained in respect shares in lieu of cash £29,161 (£77,689).

The profits setback was entirely due to the building supplies division—trading loss £18,000, against a profit of £752,000—in the face of extremely difficult conditions at a vulnerable time when the division DIY facilities had not developed sufficiently to counter the building industry downturn. Economies and other changes were implemented quickly enough to minimise the loss and the division is now trading profitably.

Trading profit of the chemical division increased by nearly 84 per cent. to £619,000. The agreement with ICI added impetus to progress and there are further benefits to be realised from this link-up.

Borrowings at April 30 were at a lower level than 12 months previously and there was a reduction in the volume of stocks.

Looking to the future, Mr. Everard feels the general economic situation will encourage more people to carry out their own house redecoration and repairs and this will increase usage of the building supplies division's home improvement centres.

Despite certain industry over production problems, the chemical division should continue to progress.

● comment

Even an 84 per cent. trading profits increase from Ellis & Everard's chemical division could not make up for the £770,000 turn round into a small loss from the building supplies operation, and here, despite some encouraging signs in public and private house building, it is too early to start thinking in terms of real recovery. The group is pinning hopes in a further "substantial" improvement in profits from the chemical division as it carves out a greater slice of the market for itself, aided by the link-up with ICI. A more than halved dividend total left the shares yielding only 4.9 per cent. yesterday after a 12p fall to 97 in the share price. Meantime, it will be interesting to see if Unilever (holding 31 per cent. of the shares) is tempted to make any fresh moves after its abortive bid attempt in 1973.

TATE & LYLE—53%

In respect of Tate and Lyle rights issue to raise £18½m. on the basis of one-for-four at 170p, 53 per cent. of the issue was taken up. The underwriters have taken up their commitment for the remaining 46.7 per cent.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div.	Times covered	Gross Yield	P/E Ratio
4	F.P.	—	172	165	Akroyd & Smithers	165	—	a12.5	1.7	12.1	7.6
$106	F.P.	—	£77	£75	Brasilian Invs. S.A.	£75	—	—	—	—	—
56	F.P.	31/8	55	54	Lawrence (Walter)	54	−1	b4.5	2.7	11.6	4.5

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
‡‡	F.P.	21/8	93	90¾	Adwest Grp. 10¼% Conv. 95/2000	91½	—
$100	F.P.	—	101½	$99½	Barclays Bank Int 9½% Capital Notes 1982	90	—
£100	£10	7/11	11¼	10	Barnet Corp. 13¼% 1980	10	−½
£100	£10	7/11	12¼	10	Do. Do. 14% '84/6	10	—
£100	F.P.	—	100	98¼	OSE 9½% Notes 1980	101½	—
**299	£10	12/9	10½	9½	Camb. Water 9% Red. Pref. 1980	9½	−½
£100	£50	—	49¼	48	Ciba Geigy (G.F.S.) 8¼% Guar. Ln. 1982/95	48	−½
£97½	£50	12/9	50⅝	49⅝	City of Westminster 13% Red. St. 1981	49¾	—
£99	F.P.	—	100	98	Clayton Dewandre 10% Deb. 90/5	98	−1
£98½	£10	5/12	11½	10	Derby Borough Council 13¼% Stk. 1982	10	—
‡£99	F.P.	29/8	100¼	99	East Surrey Water 9% Red. Pref. 1980	99	−¼
‡£100	F.P.	—	104	100½	English Properties 12% Conv. Ln. 2000/5	96	—
£100	F.P.	—	103½	100	EuraFinance (U.K.) 9% Conv Gtd Uns Ln 85-90	102½	—
£99	F.P.	31/7	112	100¼	Folkestone Dist. Water 9% Red. Prf. 1980	100¼	−¼
£100	£50	25/10	55¾	52	Hoechst 10% Guar. Ln. 1990	55½	—
‡£100	Nil	—	3½	½	Land Secs 10% Conv. 90/5	2pm	+¼
‡£100	F.P.	21/8	107½	97	Mitchell Cotts 13% Conv. Uns. 90/5	101	−½
£99	£10	—	10¼	9	Newcastle & Gate 9% Red. Prf. 1980	9	−½
£99	F.P.	31/7	112¼	100¼	N. Surrey Water 9% Red. Prf. 1980	100¼	−¼
‡£100	F.P.	—	105	87	Property Hldgs. & Inv. 9% Conv. '90/5	87	—
£99	F.P.	29/8	99¾	98½	Sunderland Water 9% Red. Pref. 1980	98½	−½
‡‡	F.P.	—	90	77½	Turner Curzon 10% Conv. Uns. 78-80	85	—
‡‡	F.P.	29/8	101⅝	98¼	Whitbread 11% Conv. 1995	98¼	−¼

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date †	Latest Renunc. Date ‡	Stock	Closing Price p	+ or −
18½	Nil	13/8	10/9	Adams Foods	¼pm	—
110	F.P.	28/7	25/8	Anderson Strathclyde	108	+1
35	F.P.	7/7	21/8	Barrow Hepburn	33	−1
46	F.P.	7/7	10/9	BOC Intl	41½	+½
90	Nil	—	—	B.T.R.	27½pm	—
115	F.P.	21/7	1/9	Bowater	137	+4
50p	F.P.	25/7	5/9	British Steam Specialities	51	+1
30	F.P.	21/7	29/8	Century Oils	34	—
35	Nil	—	—	Clayton Dewandre	11pm	—
45	F.P.	6/6	4/9	CompAir	49	+1
25	Nil	—	—	Crellon	1½pm	—
41	Nil	19/9	22/8	Crossley Building	1½pm	—
[illegible]	[illegible]	[illegible]	[illegible]	Dairy Intl.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Dunbee-Combex-Marx	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Headlam Sims & Coggins	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Howard Machinery	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Law Land	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Legal & General	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	London United Inv.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Macfarlane Group	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	McCorquodale	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Metal Box	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Morgan Edwards	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Peglar Hattersley	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Prestige	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Redland	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Royal Worcester	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Scottish & Newcastle Brewery	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Senior Engineering	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Slebe Gorman	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Smiths Industries	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Tate & Lyle	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Unicorn	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Westland Aircraft	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Wheatsheaf Distribution	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. [illegible] Pence unless otherwise indicated. [illegible]

CU down by over £10m. in first six months

REFLECTING A sharp increase in the underwriting loss, second quarter attributable pre-tax profits of the Commercial Union Assurance Company are down from £16.6m. to £2.6m., leaving the estimated total for the first half of 1975 £10.2m. lower at £14.4m.

The fire accident and marine underwriting loss in the second quarter was £19.8m., compared with a profit of £1.8m. in the same 1974 period, and the total deficit for the first half came to £25.3m., against £2.7m.

Investment income for the half year was up by £14m. to £49m. The substantial increase shown in the first quarter (from £16.1m. to £22.6m.) has been maintained part of which is due to the increase in capital in late 1974.

At the net taxed level profits emerged at £7.2m. against £13.8m., giving earnings of 2.35p compared with 6.22p per 25p share.

The directors report that underwriting profits have continued to be earned in the U.K., but in the U.S. there has been a major deterioration due largely to poor motor results. These, they explain, arise from a combination of further increases in Court awards and higher repair costs, neither of which have yet been reflected in premium increases. General liability business remains unprofitable.

Results in Western Europe are substantially unchanged although some improvement had been expected. Authorities in Austria and the Netherlands refused to allow any increase in Motor premium rates in 1975. In Australia severe inflation has continued unabated and provisions for outstanding claims have had to be further increased.

The net interim dividend is 2.525 (2.603p)—equal to 3.885p (same) gross—and will cost £7.8m. (£5.3m.). For 1974 a total of 6.845p net was paid from pre-tax profits of £50.1m.

	1975 £m.	1974 £m.
Premiums	490.6	399.9
Underwriting loss	25.3	2.7
Investment income	48.9	35.0
Life profits	2.5	1.3
Share of associates loss	1.8	[illegible]
Trading profit	24.4	34.3
Loan int. & minorities	10.0	9.6
Profit before tax	14.4	24.6
Taxation	7.2	10.8
Net profit	7.2	13.8
Net assets	278	212

Overseas operations converted at rates of exchange ruling at close of periods. * Profit.

New sums assured in the first half of 1975 rose from £653m. to £761.2m. New life and annuity premiums totalled £23.3m. (£23.3m.) and there were new annuities per annum of £28.3m. (£30.3m.).

The directors point out that it is intended to accept Barclays Bank's offer in respect of the 20 per cent. of the capital of Mercantile Credit held.

Statement Page 14

See Lex

SWALE-GIBBON

To give its customers in Ireland a comprehensive technical and manufacturing service, Swale Chemicals has formed a joint company with Gibbon Inks to manufacture liquid inks and lacquers: the new company is Swale-Gibbon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims: Aquis Securities, Gaskell and Co. (Bacup), Kingside Investment, Mercantile Investment Trust, Securicor Group, Security Services, Smith and Nephew, Ward Holdings.

Finals: Acrow (Engineers), Associated Tooling Industries, Provincial Cities Trust, Renwick Group, Scottish and Universal Investments, David S. Smith.

FUTURE DATES

Interims—

Clarke (T.)	Aug. 15
Consold. Diamond Mines of S.W. Africa	Aug. 19
De Beers Consolidated Mines	Aug. 19
De Beers Industrial Corpn.	Aug. 19
Delyn	Aug. 15
Direct Spanish Telegraph	Aug. 19
Southvaal	Aug. 21
Woodhouse and Rixson	Aug. 21
Woolworth (F. W.)	Aug. 20

Final—

Attock Oil	Aug. 19
London Atlantic Invest. Trust	Sept. 10
Sunley (Bernard) Invest. Trust	Aug. 14

Cadbury Schweppes S. Africa

From sales up from R14.97m. to R20.65m. first half pre-tax profits of Cadbury Schweppes (South Africa) show a marginal decline from R638,000 to R634,000.

The directors warn that further heavy increases in costs of glass bottles and cans will continue to affect profitability, until the industry is permitted to charge realistic prices to restore margins—especially as it is necessary to continue phasing out obsolescent bottles and crates.

After tax R291,000 (R282,000) and minorities loss credit R88,000 (R19,000) net profit for the six months was up from R375,000 to R431,000 to give stated earnings per share of 8.5 cents against 7.4 cents.

Yeoman Trust

FIRST HALF gross income of Yeoman Investment Trust increased from £354,628 to £389,610, but the directors point out that the half-year figures should not necessarily be taken as an indication of the year's result. Gross revenue for the year 1974 was £725,819.

As known the interim dividend is raised from 1.675p to 1.95p net, and a final of not less than 2.7625p (2.6475p) is forecast.

Taking into account 100 per cent. of the investment currency premium where applicable, investments were valued at £11.09m. (£6.74m. at end 1974). Net asset value per 25p share is shown at 162p (100p) after deducting prior charges at par, with the exception of the 4¼ per cent. Convertible Loan Stock which is treated as if converted into shares.

	Six months 1975 £	1974 £
Gross income	389,610	354,628
Management expenses	28,096	24,156
Interest	83,228	106,657
Taxation	101,000	70,000
Net revenue	177,286	153,815
Dividends	111,404	95,614

Hillards earns and pays more

GROUP PROFIT, before tax, of supermarket operators, Hillards, increased from £550,356 to £640,824 in the year to April 27, 1975, after £355,767, against £328,648, for 28 weeks. Turnover for the year expanded from £17.55m. to £35.57m.

Stated earnings per 10p share advanced from 5.09p to 5.96p and the dividend is raised from 2.515p to a maximum permitted 2.708p net with a final of 0.608p.

Results for the half-year ended April 26, 1975, were affected both by substantial increases in wages and other costs and by pressures on margins, the directors state.

It is difficult to forecast the extent to which profits may be further increased in 1975-76 but higher contributions will be made from the five new stores opened in 1974-75 and the five supermarkets acquired from Brierleys in 1974-75.

Last month a further store was opened in Pontefract making the total sales area of the group 391,000 square feet, an increase of 157 per cent. as compared with April 1974.

● comment

The benefits from five new stores and the first time inclusion of Brierley's Supermarkets appear to be the main factors behind Hillards' more than doubled sales performance which lifted profits by 17 per cent. before tax. This expansion programme has increased the group's long-to-medium term debt position from around £280,000 to over £900,000 but short term borrowings have changed little and a net deficit of about £50,000 is still £350,000 within the group's short term borrowings facility. In the current year the group appears to have plenty of scope left for further volume growth (the new stores and Brierley's are still well below their full profits potential), but the real growth prospects appear to lie in margin improvement which must now be Hillards' primary concern. Further profits growth this year looks a fair prospect and the shares which at 72p yield 5.8 per cent. with a p/e of 12.5 per cent. are taking account of this.

Norwest Holst loss £3.87m.: no final

REFLECTING provisions for a reduction in the value of both housing and development land and properties of £3.8m., and higher interest charges of £1.55m., against £1.22m., Norwest Holst incurred a group pre-tax loss of £3.87m. for the year to March 31, 1975, compared with a profit of £1.67m. for the previous year.

Last December, when reporting first half profit down from £1.14m. to £0.46m., the chairman, Mr. D. B. LeMare, said he did not anticipate any significant change in the rate of earnings for the year.

There is no final dividend, against 1.47p. An unchanged interim of 1.875p net has already been paid.

Following difficult trading conditions resulting from the uncertain political situation in Portugal, the entire investment in the Portuguese subsidiary, amounting to £885,000, has been written off.

Trading profit — £1.37m. against £2.44m. — is after making full provision for future expected losses on contracts in progress at March 31, 1975.

It is proposed to increase the borrowing powers. During the current year bank borrowings and overheads have been substantially reduced.

U.K. order books are being sustained and the group is actively pursuing major contract possibilities in the Middle East and expects to be in a position to announce firm orders shortly, the directors state.

● comment

Norwest Holst's results must surely live up to the market's worst expectations. Trading losses emerge at £180,000 after a 27 per cent. rise in interest charges; and a £3.8m. write off on housing and development land which stood at £10.5m. in the last accounts, has cut net worth by 45 per cent. to £3.1m. (tax credits roughly offsetting Portuguese write-offs)—this left the company handsomely exceeding its borrowing limits at the year end. The ratio between borrowings and shareholders' funds has since fallen to below four times, compared with the statutory limit of twice, thanks to an improved rate of contract completions and land sales; but the shares, which at 16p yield 8.4 per cent. on the last interim payment, still have the fate of a 35 per cent. stake held by a FNFC headed consortium to consider, and a loan of £1.3m. to an unquoted associate development company is still unaltered in the accounts.

Anglo-Italian Engines

A new company, Anglo-Italian Engines, has been formed to operate the concession in U.K. and Eire of the complete range of Lombardini diesel, petrol and gas engines.

Ranging from 3½ hp to 56 hp continuous, these engines are already in use with a number of U.K. manufacturers, including Dunlop Industries, Brown and Tawse, etc.

Principal applications will be found in the manufacture of compressors, generators, hoists, fork lifts, small tractors and auxiliary traffic controls.

Dawson & Barfos upsurge

INCLUDING a profit of £100,108 on redemption of the debenture stock, group pre-tax profits of Dawson and Barfos showed an increase from £98,627 to £461,743 in 1974, after being up from £174,000 to £240,000 at halfway.

Current trading of all subsidiaries in "very satisfactory" and a substantial improvement in results this year is expected, the directors report.

The net dividend is raised from 1.355p to 1.44p per 25p share, with a final of 1.08p.

	1974 £	1973 £
Turnover	[illegible]	[illegible]
Profit	*461,743	98,627
Taxation	179,944	213,911
Net profit	281,799	†115,284
Profit on sale	18,299	†770,308
Retained	313,324	‡867,159

* Including £100,108 profit on debenture redemption † Loss. ‡ Deficit.

Comparative 1973 figures include £2,836,000 turnover and £375,000 trading losses in respect of subsidiaries sold during that year.

Discussions are still continuing regarding approaches made in May that might lead to a possible offer, the directors state.

Caledonian Trust

NET REVENUE before tax for the year to June 30, 1975, of Caledonian Trust Company increased from £758,506 to £828,566. Stated earnings rose from 1.47p to 1.49p per 25p share or from 1.23p to 1.25p assuming full conversion of the "B" shares.

The dividend is lifted from 1.225p to 1.3p net with a final of 0.8p. An interim dividend of 0.5p net (same) is also recommended for 1975/76.

Net assets are shown at £28.69m. (£22.05m.) or 75.2p against 57.2p per share.

	1974-75 £	1973-74 £
Revenue before tax	828,566	758,506
Tax	334,798	271,433
Pref. dividends	36,382	36,882
Attrib. Ordinary	457,386	450,691
Interim dividend	163,872	133,836
Proposed final	246,412	241,875
Balance	57,405	74,078
Carried forward	1,089,101	1,031,696

Johnson Richards well placed for any upturn

ALTHOUGH IT IS impossible to forecast the fortunes of H and R Johnson-Richards Tiles in the current year, chairman Mr. D. H. Johnson says the group is well placed to share in any upturn in industrial activity.

He feels a recovery in world trade would be the most potent factor in helping towards a substantial profit improvement, since wage limitation will restrict the potential for increased UK sales.

By setting up new plant in the US and distribution centres in Europe (for which planning is at an advanced stage) the group is seeking to be able to take advantage of a revival in world trade when it comes.

Given now some hope of an easing of UK cost inflation and with the unrealised potential of past capital expenditure especially in building up increased capacity "we feel well placed to share in any upturn in industrial activity," says the chairman.

In the year ended March 31, 1975 group pre-tax profits suffered a reduction from £4.59m. to £2.92m. The U.K. factories showed a 12½ per cent. improvement in trading profits, but this was offset by a 70 per cent. drop in the results of the South African and Australian factories and the marketing subsidiary in the U.S.

Mr. Johnson explains that fall in demand was a common factor affecting these overseas subsidiaries. In addition, South Africa was seriously affected by rigid price controls and by teething troubles on the commissioning of plant, resulting in a serious production loss at a time when demand was greatest; Australian sales suffered from low-priced import competition and in the U.S. sales decreased so rapidly in the second half that the group was unable to prevent a substantial build-up of excess stocks.

Significant price increases have since been approved by the South African Authorities and, with production problems now largely overcome, the company is once again earning profits, members are told.

Since the chairman reported on reduced export demand—notably from the U.S.—and referred to production cutbacks at some U.K. factories, there have been further cutbacks in order to align production to the reduced level of export demand and a static home market.

This action, and the suspension of capital expenditure not of immediate benefit to cash flow, has effectively offset the combined results of cost inflation, price and profit controls, and reduced contributions from overseas subsidiaries, with the result that the parent company is currently operating "well within" its resources and approved facilities.

Chairman's statement Page 11

Doulton Australia

Net profit after tax, of Doulton Australia fell 83 per cent. in the half-year to June 30, 1975, compared with the same period of 1974, on an 8.3 per cent. sales drop—figures were not disclosed.

The interim dividend is 2 per cent. against 6 per cent. Total for 1974 was 12 per cent.—profit for that year fell to $A217,000 from $440,000 in 1973.

J. E. Sanger turns in £605,000

ALTHOUGH pre-tax profit of the J. E. Sanger international meat trading group has fallen from £1.5m. to £605,000 for the year to March 31, 1975, there was a considerable improvement in the second half when the profit of £440,000 (£672,000) was well over double the first half figure of £165,000 (£836,000).

And chairman Mr. J. E. Sanger reports that this upward trend has been continued through the first four months of the current year, with overseas subsidiaries contributing "significantly" to turnover and profitability.

Earnings per 10p share for 1974-75 are shown to be down from 8.11p to 2.48p. A final dividend of 3p makes a net total of 3.75p, against the single 2.2p paid for the previous year, which was the first dividend since the company was made public in Dec. 1973.

Mr. and Mrs. J. E. Sanger have notified their intention of waiving £127,000 of the proposed final dividend.

Mr. Sanger says that from April 1, 1975 until the end of July, 67 per cent. of group turnover was derived from overseas subsidiaries, and the revenue and profit derived from non-U.K. operations should continue to increase.

He adds that despite the ban on import of beef and veal into the EEC, the group is presently trading successfully in Europe by importing other meats and, at the same time, is developing its domestic trade within the EEC.

The North American subsidiary, which began operations in October, 1974, has made "significant" progress, exceeding expectations. Significant penetration has been made of the U.S. domestic market, which has profitably complemented the import business, and also given new sources of supply of offal for export to the EEC.

Despite particularly difficult circumstances in the meat industry in Australia the Sydney operation continued to trade profitably by opening up new markets in the Far East and Pacific areas.

The chairman stresses that the group has maintained a strong liquid position, "which enables us to take advantage of favourable international meat trading situations, and this continues to be a basic strength."

New markets which offer good potential are being developed, particularly in the Middle and Far East, and in Central America, and in addition, the Board is actively engaged in looking at opportunities that could help to complement and expand overall business both in the U.K. and overseas, members are told.

	1974-75 £000	1973-74 £000
Turnover	29,186	47,078
Profit	605	1,503
Tax	328	715
Net profit	267	790
Minority	19	13
Attributable Ord.	248	777
Dividends (net of waivers)	209	153
Retained	39	624

● comment

Last year was a period of adjustment for J. E. Sanger. The group was hit particularly hard by the EEC restrictions on third country beef and veal imports and this was apparently the main reason for the sharp drop in volume—sales fell by 38 per cent.—which sent profits lower by roughly 60 per cent. pre-tax. The group has recently been changing its trading structure so that it can expand within the EEC and also take advantage of the opportunities which have arisen in trading between non-EEC countries. Sanger's strong liquidity position has been only slightly weakened—net cash of £1.2m. shown in the last balance sheet is now only marginally lower—and tough a full profits recovery may be too much to hope for in the current year, a yield of 17½ per cent. at 36p seems a fairly sound base for the shares.

Morgan Grampian ahead

THE ANNUAL meeting of the Morgan-Grampian publishing, etc., group was told that trading results of the first quarter (to June 30) had exceeded the comparable period last year.

However, the chairman Mr. F. J. Parsons said, the July and August issues of the group's publications were thin.

In view of the state of reserves created by the large unappropriated profits of recent years, and of the current liquidity of the company, Mr. Parsons said, it was expected dividends would be maintained within the limits of current legislation.

Mr Parsons said: "We have heard many times in the past years, forecasts that the U.S. economy is about to upturn. Many commentators are now making that prediction and if they should prove correct, our U.S. business magazines should be well placed to take their share of an expanding market, although the present strength of the dollar against the £ will require us to increase our sterling deposits to guarantee our dollar loans.

"We have taken the necessary steps during the last year to secure our business for the future until the time when the cycle turns in our favour."

Redland outlines profit improvement measures

LORD BEECHING, chairman of Redland, tells members that any profit improvement in the current year will depend primarily upon better adjustment of operations to the already reduced level of sales, and upon cost savings, although there are also a few areas in which a contribution is expected from new business.

Housing starts in the U.K. are expected to rise slightly but he feels it is unlikely there will be any worthwhile increase in construction activity, since limitation of public expenditure may be intensified, while private investment is sluggish. "Even so, we expect some improvement in our performance at home."

The severe recession in construction activity in Germany did not have serious effects upon Braas and Co. until the second half of 1974, but it caused profit for the year to show a downturn for the first time. Poor market conditions continue and, although an upturn can be looked for with *confidence, Lord Beeching says,* it now appears unlikely to occur before the end of 1975.

As reported June 18, group pre-tax profit fell from £24.26m. to £19.06m. in the year ended March 31, 1975.

Inflation adjusted accounts show the profit on a CPP basis at £19.87m. (£29.11m.). Earnings per share are given at 9.95p (15.56p), compared with 8.75p (12.03p) historical: and assets per share are shown at 86.64p (84.73p), compared with 36.10p (56.32p) historical.

The U.K. group trading profit, exclusive of property sales, fell by 12.2 per cent. due to poor results from concrete pipes, and to lesser falls in profits from both the gravel and brick divisions, offset by improvements in most other divisions, in particular of tiles, roadstone, Redland Purle, and Redland Northern Ireland, the chairman explains.

Mainly because of difficulties experienced in Germany and Australia and despite improved results in most other areas, the gross profit overseas fell by 12 per cent., indications from both the sale and profit figures being *that, at the trading level,* overseas companies experienced a degree of setback similar to that of the U.K. activities.

The chairman says that 1974-75 was a period of strictly limited capital expenditure, and a similar measure of restraint continues in the current year.

In the U.K., the inflationary surge, combined with both price controls and recession, and coupled with the three-day week caused the group to suffer a net cash imbalance which persisted through most of 1974-75. This was controlled successfully, and now cash requirements for replacement expenditure and expansion of working capital are being met out of cash flow and from existing credit facilities respectively.

As known the group has made a £7½m. rights issue, and funds *derived from it will enable selec*tive expansion to be resumed.

For the current year the directors have authorised, or have budgeted for capital expenditure in the U.K. amounting to £8.02m. (£10.47m.). At March 31 contracts had been placed for some £1.79m. (£2.98m.). In addition, capital expenditure programmes for overseas subsidiaries for the year 1975 totalled some £5.32m. (£7.85m.). At December 31, 1974 contracts *had been placed for around* £0.63m. (£0.27m.).

See Lex

Continued confidence at Airfix

Continued confidence in the future is the message from Airfix Industries, the toys, plastics and footwear group, which last year produced record profits for the ninth successive time.

In his annual statement, the chairman Mr. R. Ehrmann says that the purchase of the shares in Tri-ang Pedigree has increased the group's diversification in the toy trade, while the purchase of shares in Plasty principally, and *also in Ava International, should* greatly increase export potential and give rise to foreign earnings.

Completion during last year of several major improvement schemes in the factories should yield increasing benefits during the coming year. *The directors* are continuing as previously to invest heavily in new plant and products in order to ensure continuing earnings growth.

As reported on July 11 profits were £2.6m. before tax for the year ended March 31, 1975, compared with £3.06m. for 1973-74 the dividend is 2.787p (2.6238p) net.

An analysis by activity *of turnover and profits shows* (£000's omitted):— Toys £16,858 (£12,729) and £2,320 (£1,764), general plastics £3,753 (£3,035) and £100 (£193), footwear £3,700 (£1,850) and £151 (£115), APD £141 (£142) and £34 loss (£67 loss); Parent company administration added £66 to profits (£54).

The value of goods exported amounted to £6.95m. compared with £4.9m. The EEC was the best customer overseas with the *rest of Europe and the U.S. second* and third.

Scottish Western Investment

PRE-TAX revenue for the first half of 1975 of Scottish Western Investment decreased from £0.87m. to £0.77m. The figure for the year 1974 was £1.7m.

Earnings per 25p share for the full current year are estimated at 1.75p, compared with 2.25p for 1974.

As known the interim dividend is 0.5p net (same). Last year's total was 2p and included 0.3p exceptional payment.

Net assets totalled £49.3m. (£30.9m. at end 1974) including full dollar premium amounting to £10.03m. (£6.7m.). Net asset value per Ordinary and "B" Ordinary was 90.9p (56.3p).

In the net assets, credit has been taken for the investment currency premium on £1.64m. being the surplus on the currency loans.

	Six months 1975 £	1974 £
Revenue before tax ...	778,459	866,613
Taxation	331,223	328,277
Available	447,236	538,366
Preference div.	23,129	23,129
Interim Ord.	215,950	213,109

NO PROBES

The proposed mergers of Barclays Bank and Mercantile Credit and of Lonrho and London Australian and General Exploration are not being referred to the Monopolies and Mergers Commission.

BIDS AND DEALS

Roneo Vickers in Germany

IN A DEAL to strengthen its position in the office reprographics field Roneo Vickers has agreed to buy from Addressograph-Multigraph International the business of Mathias Bauerle GmbH, West German manufacturers of offset duplicators and mailroom equipment.

The purchase price is £3m., subject to final valuation of the company.

Mathias Bauerle has built up a substantial international business in the manufacture and marketing of desk-top offset duplicators and large volume folding and collating machines.

The purchase is the latest of a series of expansion moves announced in recent months by the Roneo Vickers Office Equipment Group which, in its last financial year showed a 52 per cent. profits increase on a 30 per cent. increase in turnover.

SPICERS—AHREND TALKS OFF

Spicers (a part of Reed Group which is a subsidiary of Reed International) and Ahrend Groep BV, a major Dutch office equipment supplier, announce that they have decided not to continue their discussions with a view to a possible merger.

LEADENHALL—STERLING

The offer on behalf of British and Commonwealth Shipping for the 1,033,363 stock units of Leadenhall—Sterling Investments not already owned has been accepted in respect of 639,245 (31.40 per cent. of the issued share capital). These, with the units acquired by B and C on May 22, 1975, represent 80.63 per cent. of the capital. As announced, the offer became unconditional on July 18—it closed at 3 p.m. yesterday.

WHINSPARKEN

Recommending shareholders in Whinsparken Investments to accept the already announced bid from Charterhall Finance Holdings, Mr. J. G. Dean, Whinsparken's chairman, says that, because of the nature and extent of the company's unlisted investments, it is unlikely that the company would be granted a re-listing by the Stock Exchange in its present form.

Mr. Dean's recommendation is contained in the formal offer documents which have now been sent out. They disclose extensive dealings by Mr. Martin Vickers, a Whinsparken director, in Charterhall shares between January and August, 1975, and similar dealings by Whinsparken. In the period, Mr. Vickers bought 310,000 at between 21p and 61p and sold 295,000 at between 22½p and 63½p.

The offers close on August 29.

Guthrie bid for Ajax unconditional

Guthrie Corpn. has received acceptances in respect of 204,965 shares (92.40) of Ajax Magnethermic Corpn. as a result of its tender offer of July 17.

The offer has, therefore, now been declared unconditional.

NO INSIDER DEALINGS

Five investigations by the Takeover Panel into share dealings prior to takeover bids have revealed no evidence of insider dealing. This was disclosed in a statement by the Panel yesterday.

The companies taken over were Contractors' Services Group, Gallaher, John M. Henderson, Midland Aluminium, and Peureula Investments. The statement said the investigations had been completed following receipt of reports from the Stock Exchange and that "no evidence of a breach of Rule 30 (which deals with insider trading) of the City Code was found in any of these cases."

STAG/YATTON

Stag Furniture's share and cash alternative offer for Yatton Furniture has become unconditional.

At the first closing date, yesterday, acceptance had been received in respect of 9,871,701 Ordinary shares, which with the 8,495,000 shares already held amounted to some 83.38 per cent. of the total.

Total consideration in respect of the 9,297,701 shares of Yatton for which acceptances had been received by August 8 will be satisfied by 107,539 Ordinary shares of Stag and £561,756 in cash.

As known the offer has been extended until August 22 and the share and cash alerative remains open for election.

SHARE STAKES

Central Province Ceylon Tea Holdings—Bandanga Holdings has purchased a further 25,000 Ordinary shares making its total holding at August 7 600,000.

Estates House Investment Trust states that upon the scheme dated May 2 becoming effective on July 21 it became interested in £2,825,000 Antofagasta (Chili) and Bolivia Railway Ordinary and £593 Preference stock, and in 2,554,633 Trust and Agency of Australasia shares (31.933 per cent.).

MINING NEWS

Another Gold Fields offshoot does well

BY LESLIE PARKER, MINING EDITOR

THE GOOD results from Gold Fields of South Africa are followed up by a rise in profits from another, albeit much smaller, segment of the Consolidated Gold Fields empire, the mineral sands producer Western Titanium which operates in Western Australia. Operating profit in the year to June more than doubled at $3.25m. against $1.43m. although a considerably higher tax charge cut the improvement in the net surplus to a more modest $0.4m. at $1.67m. (£1.02m.).

Dividends are brought up to 21 cents, absorbing $1.21m., from 12 cents in 1973-74 but it is pointed out that the final of 7 cents represents a third payment for 1974-75 in order to bring the distributions in line with other Gold Fields group companies. This year there will be a return to the normal interim and final.

Sales more than doubled in the year to June at $12.21m. owing to higher prices, especially for zircon, and the increased production of beneficiated ilmenite following the commissioning of the second plant at Capel at the beginning of the year. It is added, however, that customers' requests for cancellation or deferment of contractual tonnages owing to the downturn in the pigment market caused ilmenite output to be curtailed towards *the close of the year in order to* avoid stock accumulation.

Preparations are still proceeding for the Eneabba heavy mineral operation which is scheduled to reach production in the third quarter of 1976. Western Titanium's London price is a nominal 230p.

ROUND-UP

No gold ore was treated from North Kalgurli's Fimiston mine in the 16 weeks to June 17. It was placed on a care and maintenance basis when Kalgoorlie Lake View told the company that it could not continue treating outside ore at its Chaffers plant. North Kalgurli's own gold plant can now only deal with nickel ore. The company states that discussions are continuing with a number of concerns for re-establishing mining and treatment at Fimiston on a joint venture basis. Yesterday North Kalgurli were 8½p.

Rio Tinto (Rhodesia) made a net profit of $Rh1.22m. in the half-year to June, less than half the $Rh2.55m. for the same period of 1974. The company said that the low price of copper continued to limit the profitability of the Empress nickel mine. Also, the persistently high exchange rates for the U.S. dollar and sterling in relation to the Rhodesian dollar adversely affected the revenue from sales of nickel, gold, chrome and emeralds.

The Consolidated Gold Fields group's Bellambi coal operation in New South Wales has issued 889 *employment termination notices* as from next Friday. Owing to industrial action output during the last few weeks has been at a level which is regarded as no longer economic. The company is not prepared to tolerate "irresponsible action initiated by the mining unions at national level which *could place at risk* the continued sound and proper development of its mine." There is enough coke at grass level to supply customers' needs for the next three to four weeks.

Dealings in Nigel Gold have been temporarily suspended in London and Johannesburg at the company's request following negotiations with an overseas consortium which is interested in buying 24 per cent. of its issued capital and in purchasing all the coal which it may have available for export. The share offer will be extended to all holders if it is successfully concluded. Nigel operates the Dumbe colliery in *Natal. Friday's price was a nom*inal 85p.

The London Tin group's Kuala Kampar Tin Fields has entered into an option agreement with Boustead for a $M2.24m. cash purchase of 280 acres of tin-bearing land, valid until March 31 next. Ore reserves disclosed by boring are put at 31m. cubic yards with a recoverable 0.2 kati (0.27 lbs) of tin concentrate per cubic yard. These are considered *to be insufficient* to warrant the transfer of either of Kuala's two existing dredges. Alternative mining methods are being examined.

Palabora profit hit

FOLLOWING ON the cut in the half-year dividend from 60 to 25 cents reported here on August 7—the 1974 total was 120 cents—the RTZ group's South African Palabora copper operation announces a 63 per cent. drop in taxed profits from R27m. to R9.85m. from a sales volume down from R74m. to R50m.

This was despite a sales increase from 39,068 to 49,929 tonnes of copper, reflecting the fact that first half sales, last year were affected by shipping delays while those for 1975 have been helped by a reduction of stocks on hand.

Profits were hit by a drop in the copper price, which meant that the average received was approximately half that for the same period of 1974, and by the inevitable continued effect of inflation on costs. Palabora fell 5p to 870p yesterday following a profit fall which had already been foreshadowed by the dividend cut.

SABINA IN U.S. STEEL DEAL

The reason for last week's little burst of speculation in the shares of Canada's Sabina Industries was a report in the Northern Miner *that it has done a deal with U.S.* Steel for the opening up of the company's base-metal prospect in the Bathurst area of New Brunswick, where prospecting excitement has been touched off by a high-grade copper-zinc-lead-silver *find now under option to America's* Newmont Mining (55 per cent.) and the mining offshoot of the Price Company as reported here on July 2.

It was understood in London that clarification of the terms of the deal is expected to be announced shortly. Meanwhile, Sabina's field geologist Mr. Peter Gummer is reported to have staked three other groups of claims in the area, totalling 112 claims. Noranda and Union Miniere have also been staking ground. Newmont emphasises that drilling and systematic exploration have still to be carried out on its optioned claims. Sabina reacted 3p more to 75p yesterday.

RAHMAN HYDRAULIC TIN—July Tin output 59 metric tonnes (June 55 tonnes).

GEEVOR TIN—July. 9.555 metric tonnes of ore treated produced 75 tonnes black Tin (65 per cent. Sn) including 6 tonnes low grade concentrates (June 72 tonnes).

KENT (FMS) TIN DREDGING—July Tin output 57 tonnes (June 58 tonnes).

MALAYSIAM TIN—Mining Results—July: Tribute ore sold 10.66 tonnes (June 2.52 tonnes). Working profit £1,189 (£1 loss). Tin ore retained in stock at July 31, 1975 1.82 tonnes (to comply with restriction on sales imposed by the International Tin Council).

Property Investment hopeful

A RETURN to profit for Property Investment and Finance is indicated by the chairman, Mr. D. L. T. Oppe, for the current year.

Provided conditions in the housing market do not deteriorate, the company's clients should be able to undertake at least a reasonable volume of business, and with substantial reduction in interest charges a "moderate profit should be achieved," he declares.

This will not attract tax until the substantial losses are made good, and he hopes dividends will be resumed.

Any realisations from written-down advances will further reduce borrowings. In the year to March 31, 1975 borrowings were repaid by proceeds of houses—built or to be built—and liquidity improved considerably. Bank borrowings were down from £7.5m. to £2.3m.

As reported on July 3 a loss of £1.70m. (profit £0.3m.) before tax was incurred in the year to March 31, 1975, after an exceptional write-down of £1.33m. of assets to estimated net realisable value. *The write-down is greater* than the £1.1m.—£0.53m. after tax—indicated when the half-time figures were published.

Holdings of quoted investments have been reduced, and a more recent valuation is £756,093 after further sales producing £426,234.

Net assets attributable to the Ordinary are shown at £4.97m. (£6.32m.) at end-March. The £1 shares had an asset value of 115p (146p).

Reed Canada

Reed Paper president Mr. R. W. Billingsley said in Toronto that the company made a considerable number of shutdowns in the second quarter and would probably continue to do so in the third.

He expected however that the third quarter would see a gradual but steady improvement in all sectors of Reed's business.

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Hong Kong waiting for Hutchison to reply

BY PHILIP BOWRING, HONG KONG, AUGUST 11. HONG KONG, August 11.

UNLESS a fairy godmother comes forward at the last minute, it looks likely that the Hutchison International Board, when it meets to-day, will reluctantly have to advise at least conditional acceptance of last week's ultimatum from the Hong Kong and Shanghai Bank. The Bank has "offered" to put up HK$150m. in new equity capital, provided that the issue is at par and that the Bank can appoint a new chief executive, and two Board members.

By withdrawing its offer to underwrite a HK$178m. rights issue, Wardley, a wholly owned subsidiary of the HK Bank, pre-empted HIL's attempt to reconstruct its crumbling financial position by appeal to existing shareholders.

Though the shares had risen to HK$2, before dropping back to HK$1.68 yesterday, their value is debatabe.

If the Bank's statement on Friday about the seriousness of HIL's position is taken at face value, the market price of HIL shares should be nearer the HK$1 that the bank has offered to pay.

The problem confronting shareholders at the present time is that they know so very little about HIL's true position. Hopefully the Board will enlighten them. The Bank is evidently not prepared to. At a Press conference on Friday, Bank Chairman Mr. Guy Sayer repeatedly retreated behind the wall of silence known as "the confidentiality of bank customer relations."

One thing Mr. Sayer did admit was that the initiative for Wardley withdrawing from the rights underwriting came from the Bank, not Wardley itself. This has raised the question of conflict of interest.

There are those who argue that as the bank could not afford to see HIL go into liquidation it would have to continue overdraft support. But is would indeed be a gambler who would play that game of poker given the size of the stakes. As of this moment, most of the cards are in the hands of the bank.

The best that shareholders might be able to do is try to create enough fuss to force the bank to pay more for its shares. Whether such a shareholders' movement will get under way will depend very much on whether the HIL board can come up with a convincing set of accounts which would show that its assets per share are worth rather more than the meagre HK$1.30 which the bank — presumably privy both as commercial banker and merchant banker to the recent HIL position—claimed on Friday.

Another question which should concern shareholders is who the Bank has in mind to put in as Chief executive. A man of calibre might well be able to pull the company around and rationalise its sprawling operations fairly quickly but it is doubtful that the bank itself has anyone experienced with running a conglomerate of this sort.

Mitsubishi Chemical expects profits drop

LONDON, August 11.

Mitsubishi chemical industries expects profit before tax and extraordinary items to be Y7bn. (Y17.85bn.) for the current year to January 31 next on gross sales of about Y580bn. (Y534bn.), a company spokesman said.

An increase in fixed costs because of an average 20 per cent. production cutback will result in an expected Y3.5bn. decline in pre-tax profits to about Y3bn. for the half-year ended July 31, he said.

After-tax profit will be about Y2.3bn. (Y4.0bn.).

However, the company has a carried over profit of Y2.65bn., so it still plans to pay an unchanged interim dividend of Y2.5 per share be added.

Mitsubishi is planning capital expenditure for plant and equipment totalling Y65bn. during the current fiscal year, up from Y50bn. in the previous year, he went on. This is for production facilities for aluminium, coke, and special resins as well as for pollution control. Part of the funds required have already been covered by the Y10bn. Convertible Debenture issued last month in the Japanese capital market.

Reuter

Speculation on Kao share move

BY PETER DUMINY TOKYO, August 11.

MYSTERY surrounds the circumstances which prompted the Bank of Japan to forbid additional foreign buying of Kao Soap as from the end of last week.

Kao is one of the two majors of the Japanese soap and detergent industry, with turnover of $475m. last year. The Central Bank's prohibition is taken to mean that foreign ownership of the company's 72m. shares is rapidly approaching the 25 per cent. limit (of 18m. shares), which is the cut-off point for foreign ownership unless the management of a company requests otherwise.

This surprises securities dealers, seeing that foreign held shares numbered less than 5m. as recently as March 31. Since then the price has risen sharply, from Y327 after the March scrip issue, to Y427 in May—after which it reacted to Y384 only to rebound to a high of Y449 last week.

Rumours have circulated that Procter and Gamble was either buying, or working up a deal with Kao, but a leading securities house said to-day that much of the buying had come from Hong Kong. It was presumed that speculators were exploiting the rumours of a tie-up with one of the multinationals.

However, the chief executive of Procter and Gamble Sunhome, Mr. J. W. Nedell, gave "an absolute and categorical no" to the stories when asked about them in Osaka to-day. He said that there had not been a single previous enquiry received by the company, and that Procter and Gamble welcomed the opportunity to state that it would not be party to a financial manoeuvre of this kind in the Japanese market.

He was alluding to the fact that takeovers by stealth are unheard of and would be frowned on by the financial establishment. His views are echoed by merchant bankers. Mr. Ed Merner of Schroder Wagg said that any deal involving share swaps or affiliation with a Japanese company could be considered advisable "only if it had the co-operation of both company and government."

Apart from the 25 per cent. rule (which survives the liberalisation of inward investment, in the present form), another regulation forbids the acquisition of more than 10 per cent. of a company's equity by a single foreigner. No doubt this could be got round by using nominees or subsidiaries, "but that would be asking for trouble," Mr. Merner said.

It would not be a promising way to break into the Japanese market.

Kao shares are widely held, the main local shareholders being insurance companies and banks (the largest Chiyoda Mutual, with 5.2 per cent.). The company is believed to have about 30 per cent. of detergents sales and some 15 per cent. of the toilet soap market.

A reason why Procter and Gamble may have been linked with the share activity is that it has been marketing detergents aggressively in the past two years, and is known to be on the expansion tack in view of its present $8.5m. option on assets of the Mitsuya group. If exercised, this would give it about 10 per cent. of the soap market in addition to its believed 10 per cent. of the detergents market.

Nobody at Unilever's Tokyo office was available to comment on the Kao matter today.

Solid showing by Safmarine

BY JOHN STEWART. CAPE TOWN, August 11.

SA Marine Corporation (Safmarine) to-day announced unaudited taxed profit of about R20m. (R16m.) for the year ended June 30.

This is equal to net earnings per share of 68c (62c) from which an increased dividend of 19c (16c) will be paid.

In addition, Safmarine announced its 8th capitalisation issue out of the share premium account, this time on a one-for-20 basis (one-for-ten last year), which will result in the creation of about 1.5m. new shares and increase the total of issued ordinary (50c) shares to 31.1m.

The company is once again confident that dividends will be maintained in the current year and that earnings will not be diluted by the new shares.

At the same time it is estimated that return on shareholders' funds is not less than 40 per cent.

The company's solid showing at a time when world shipping is going through a lean period appears to be based on at least three factors.

It has, firstly, an extremely conservative employment policy in respect of its vessels, and shows a preference for long-term contracts which yield steady if unspectacular revenues, rather than seeking fat, short-term advantages on the spot market. In this way its tanker bottoms are all employed on contracts entered into four years ago.

This conservatism is taken through to its financial management where the policy is maximise plough-backs and write-offs during times of plenty in order to reduce the capital load during lean periods.

This is illustrated by the fact that on 1975 results the company will distribute only 19 of the 68 cents per share earned.

Finally, the company is fortunate enough to be the national carrier of a country which suffered a great deal less than most from the balance of payments problems arising from oil price rises since October 1973. On U.S. and Far East shipping trades the company has secured more than 50 per cent. of the market share, while on the enormously rich SA/Europe trades it probably commands about 40 per cent. of the business.

Interim fall in PUK turnover

By Robert Mauthner

PARIS, Aug. 11.

France's leading aluminium producer and non-ferrous metals group, Pechiney Ugine Kuhlmann, has just announced a substantial drop of 17 per cent. in *first-half turnover—from* Frs.11.5bn. during the first six months of 1974 to Frs.9.5bn. in the same period this year.

According to the company, the fall in sales reflects the generally depressed economic situation and was exacerbated by the sharp fall in a number of raw materials such as copper. PUK also emphasised that another reason was that the average dollar exchange rate used to produce the consolidated figures was Frs.4.18 in 1975, compared with Frs.4.96 for the same period of 1974. It should be added, however, that such arguments are only employed when results are disappointing and that no French company with increased turnover this year has invoked the exchange rate to demonstrate that its results could have been even better.

Analysed by sector, the sharpest fall in turnover was on the copper processing side, which fell from Frs.2.9bn. in 1974 to only Frs.1.5bn. this year, followed by aluminium production which dropped rather less dramatically from Frs.3.68bn. to Frs.3.10bn.

The slack state of the French metals market was underlined by the fact that 42 per cent. of turnover was accounted for by foreign operations; 22 per cent. took the form of exports by the group's French companies and 20 per cent. came from the sales of foreign subsidiaries.

Meanwhile, it was announced in New York that, following the successful public take-over bid by the PUK American subsidiary Pukco of the American metals company Howmet, a new company, wholly owned by Pukco, has been set up by the French group which has merged it with one of its subsidiaries.

Poor prospects at FKH

By Jonathan Carr

BONN, August 11.

FRIEDRICH Krupp Huettenwerke (FKH) the steel-making arm of the Krupp concern, presents a dismal picture of falling orders and production in the second quarter of 1975 and expects West German crude steel production for the year as a whole to be some 20 per cent. down on 1974.

The company, which increased its net profits by DM11m. last year to DM78m., gives no details of its present profits position. But it does note that with export prices falling markedly, production plummeting and costs rising, the earnings position of German steel companies has worsened month by month since the end of 1974.

FKH's production in the second quarter showed a marked decline against the same period of 1974 in all areas—in pig iron by 14.5 per cent., in crude steel by 11.4 per cent. and in special steels by 29.5 per cent.

Meanwhile, the orders intake was "wholly unsatisfactory"—down by 20 per cent. against the average for last year. The only notable exception came in the forged steel sector where orders were up by nearly 10 per cent. against the previous quarter to DM27.8m. thanks to increased demand from the Federal railways.

Discount Bank issue success

By L. Daniel

TEL AVIV, August 11.

THE ISRAEL DISCOUNT Bank's offer of 2m. new Ordinary shares, nominal value I£40 (roughly £3) each at 215 per cent., plus 500,000 warrants, was oversubscribed on the first day. Fifteen million of the shares had been subscribed for beforehand by institutional investors while 25m. were available to the public. Only applications for up to I£2,000 (£155) will be met in full while the remainder will be distributed pro rata.

Faster rate of deposit growth for Swedish co-op banks

BY WILLIAM DULLFORCE STOCKHOLM, Aug. 11.

SWEDEN'S co-operative banks notched up a faster rate of deposit growth than both the commercial and savings banks last year. According to their federation's 1974 annual report, deposits increased by 20.5 per cent. to Kr.8.8bn. (£975m.), compared with increases of 7.7 per cent. in commercial bank deposits and 10 per cent. in the savings banks. This success was probably due to the increased prosperity of forestry industry workers and to the non-profit-making co-operative banks' reputation for offering easier credit terms.

The Swedish co-operative bank movement is an economic association emanating from the former rural credit societies. It comprises 440 local banks with more than 750 branches organised in 12 regional co-operative banks, all of which are members of the central organisation, the Federation of Swedish Co-operative Banks. They have their central commercial and clearing bank, which handles the movement's liquid reserves and all foreign business. Although they account for only 6 to 7 per cent. of total credits, the co-operative banks handle more than half the credits to Swedish farmers.

Last year 21,000 new members joined the movement, bringing the total to nearly 258,000. Of this increase some 80 per cent. came from outside the agricultural sector.

The co-operative banks' operating profits also grew in 1974, rising by 24.9 per cent. to a total of Kr.58.7m. (£6.5m.). A considerable portion, Kr.31.5m., was used to increase valuation reserves, while Kr.6.3m. was allocated to interest refunding. Net profits totalled Kr.9.6m. Six of the 12 regional banks paid a dividend of 0.25 per cent. to their members.

A slower growth (16.8 per cent.) in advances than in deposits (most of which are long-term) led to a steep rise in the banks' liquid assets and in turn to a 27.5 per cent. increase in balances with their central bank. Due to a decline in interest margins, however, the operating profit of the central bank fell by 17 per cent. to Kr.8.7m., most of which was allocated for consolidation.

Nordic Investment Bank scheme nearer approval

BY WILLIAM DULLFORCE STOCKHOLM, August 11.

THE PRESIDIUM of the Nordic Council, meeting in Husavik, Iceland, last week decided to call an extraordinary session of the council in Stockholm on November 15, to approve the statutes of the Nordic Investment Bank. This would enable the new bank to start operating from July 1 next year.

The council's economic committee is meeting in Bergen, Norway, to-day and to-morrow to examine the proposal for a joint investment bank agreed in June by the cabinet ministers responsible for co-operation among Denmark, Finland, Iceland, Norway and Sweden. The ministers recommended that the proposal be dealt with speedily because of the acute demand in the Nordic countries for new investment and foreign capital.

The bank will have a capital of 400m. special drawing rights (SDR) equivalent to about Skr.2bn. (£220m.) and a loan and guarantee capacity equivalent to 1m. SDRs. It is to be run on "sound banking principles," will finance joint Nordic investments and exports and raise international loans, particularly in the oil-producing countries.

Moevenpick lowers dividend

BY JOHN WICKS ZURICH, August 11.

MOEVENPICK, the Zurich-based holding company of the Swiss-owned Moevenpick restaurant and hotel concern, is to pay a reduced dividend of 8 per cent. for the financial year ended March 31, as compared with 14 per cent. for the two preceding fiscal periods. Its net profits sank sharply to Sw.Frs.230,000 (2.4m.) for the year, following a drop in group cash flow for the 12-month period ended September 30, 1974, to Sw.Frs.10.32m. (12.31m.), and in spite of a rise in group turnover for the 1973-74 period of 17.1 per cent. to Sw.Frs.216.7m. (185m.).

The major source of concern for the group is its interest in hotels operated with a "Holiday Inns" franchise in Opfikon and Regensdorf, both near Zurich airport. The capital of the company Moevenpick/Oxy Hotel Opfikon was subjected to a two-thirds write-down last year, subsequently being restored to its original level by an injection of funds from parent companies Moevenpick and Occidental Petroleum. Additional surgery is now planned for the Regensdorf hotel. All restaurant operating firms in the group's Swiss division booked a successful year, however, and improvements were reported for German restaurant operations.

In the eight-month period from October 1, 1974, to May 31, 1975, group sales showed a 2.6 per cent. increase to Sw.Frs.179.3m. (174.6m.), turnover of Swiss and German restaurant and hotel firms taken as a whole having improved by 9.8 per cent. to Sw.Frs.133.8m. (121.8m.) and that of trade, production and management subsidiaries falling back by 14.1 per cent. to Sw.Frs.45.5m. (53m.).

For the current period ending September 30, 1975, the group's operating subsidiaries will cut back investments considerably to Sw.Frs.8.5m. (20.8m.), this sum being more than covered by cash-flow. And for 1975-76 the investment figure is to be reduced by more than one-half again, with projects in German and Swiss restaurant sectors accounting for about SwFrs.4.5m.

Zueblin overseas orders drive

BY GUY HAWTIN FRANKFURT, August 11.

OVERSEAS operations are taking on a rapidly increasing importance for the major West German construction companies as the home market moves deeper into recession. One top concern has just reported that overseas orders are now accounting for more than 50 per cent. of turnover and the same is believed to be true of other operators in the field.

Zuebling of Stuttgart, a leading West German construction group, has just announced that more than half of the DM948m. orders received in the first half of 1975 came from outside Europe. A further 7 per cent. came from European countries other than West Germany.

The pattern, says the group, has become noticeable since last year when home demand started to decline. In 1974 the fast developing overseas business accounted for more than half of the annual inflow of orders and the foreign order book stood at DM515m.

An indication of the increasing importance of overseas orders in the group's business is given in the breakdown of the 1974 turnover statistics. Of the group's DM615m. turnover—only 2 per cent. up on the previous year—a mere 13 per cent. was attributable to overseas activities. This compares with 10 per cent. of turnover the previous year.

Thanks to increasing foreign operations, business over the year remained stable. Profits, however, declined, but the concern, unlike so many others in the industry, remained in the black.

Net profits fell from the DM3.8m. reported in 1973 to DM2.06m. while reserves were strengthened to the tune of DM1m. compared to DM1.5m. a year previously. The concern's executive board is proposing that distributed profits should be trimmed from DM2.21m. to DM1.15m. which means the dividend would be slashed from 1973's 14 per cent. to 8 per cent. It is worth pointing out, however, that this is far better than many construction company shareholders have been doing.

Demag sees lower profit

BY GUY HAWTIN FRANKFURT, August 11.

DEMAG, the Duisburg-based capital equipment and machinery manufacturer, is forecasting that profits this year will be substantially lower than the DM26.4m. net reported in 1974. An interim report states that the company has been hit by the *current world-wide recession.*

According to the executive Board, short-time working and under-utilisation of capacity had seriously curbed earnings. The company, now 90 per cent. owned by Mannesmann of Dusseldorf, is not expecting much of an improvement in the second half of the year and the report states that the unchanged international economic down-turn means that demand for machinery will remain weak.

Turnover in the first half of the year totalled about DM917m. —virtually unchanged from the same period of the previous year. Incoming orders amounted to DM1.4bn., again, at more or less the same level as in the first half of 1974.

Demag's total order book, however, has increased, by some 30 per cent. to DM2.4bn. over the first half year. The decline in demand has come only in the standard product sector. In *capital plant the order position* remains satisfactory.

Workshops in the capital plant sector, says the report, have sufficient work in hand to maintain full employment until 1976. In the standard product sector, however, a number of workshops are hit by short-time working.

The report remarks that in June Demag—as well as other concerns in the capital goods area—noticed a short-term increase in demand as a result of the Federal Government's investment incentive plan. But the company remarks that in the main this measure only brought forward orders that would have been lodged anyway.

TVO financing needs

By Mary Campbell

IN ONE of several loan negotiations currently under way, Teollisuuden Voima Oy—Industrins Kraft of Finland (TVO power company) has announced that it is negotiating a five-year note issue amounting to 5m. Kuwaiti dinars (about $17m.). Indicated coupon on the issue, which is being managed by a group of five banks headed by Kuwait Foreign Trading Contracting and Investment Co., is 8¾ per cent. The notes will be formally offered on August 23

TVO is in the process of constructing a nuclear power plant to supply its shareholders (16 of Finland's major industrial companies) with a high proportion of their power requirements.

The overall foreign financing requirement for the project will be large—perhaps in the region of 2bn. Finmarks. Market sources report that a seven-year Eurocurrency loan of between $60m. and $70m. is currently being syndicated for TVO by a banking group headed by the three Finnish banks, Kansallis-Osake-Pankki, Pohjoismaiden Yhdyspankki, Nordiska Foreningsbanken and Postipankki. The proceeds of this borrowing will also be put towards the nuclear plant.

The Iron and Steel Corporation of South Africa is planning to float a $25m. issue on the Eurobond market, Reuter reports from Paris. Market sources suggest that invitation telexes may go out on Wednesday and that, barring a major change in market conditions in the meantime, the indicated coupon would be 10 per cent. and the maturity five years. Lead managers are expected to be Crédit Commercial de France, Kredietbank Luxembourgeoise and Westdeutsche Landesbank.

Van Gelder first half setback

By Friso Endt

ROTTERDAM, August 11.

VAN GELDER Papier reports a disappointing first six months of 1975. Against a turnover of Fls.408.2m. (last year Fls.459.6m.) profits are Fls.410,000 (31 Dutch cents per share) against Fls.21m. (Fls.15.71 per share) in 1974.

The market situation in the paper and packaging industry fell back because of the recession. In particular, under pressure from overseas newsprint prices fell after May this year. The company expects a loss over the second half of 1975. To cover investments over the 1975-76 period—enlargement of production capacity and efficiency adjustments—a loan of Fls.40m. has been arranged.

Pernod Ricard sales well up

By Robert Mauthner

PARIS, August 11.

PERNOD RICARD, the company set up last year after the merger of the two leading manufacturers of anis aperitif, has announced a consolidated turnover for the first six months of 1975 of Frs.1.16bn. compared with Frs.1.04bn. for the same period last year.

The rise follows a substantial increase in turnover of the companies of the new group last year which, at Frs.2.24bn., was up 21 per cent. from the year before.

However, the improvement in 1974 net earnings, at Frs.93.8m., was much smaller—only about 1 per cent. more than the 1973 results worked out on a comparable basis.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	99	100
Ashland 8pc 1987	89	90
Austraswiss 8pc 1987	89	90
BFCE 9pc 1989	97	98
Borregaard 8½pc 1989	91	92
Carrier 8pc 1987	88½	89½
Conoco 8pc 1986	95	96
Consd. Foods 7¾pc 1991	83½	84½
Cutler Hammer 8pc 1987	90½	91½
EIB 9½pc 1985	99½	100½
Esso 8pc 1986 Nov.	98½	99½
General Cable 8½pc 1987	88	89
General Motors 8¼pc 1986	101½	102½
GTE 8½pc 1986	97	96
ICI 7¾pc 1992	78	80
Nat. Grindlays 7¾pc 1987	77	79
Pacific Light 8pc 1988	88½	89½
Prov. of Quebec 7¾pc 1986	86	87
Quebec Hydro 8½pc 1989	95	96
Queensland 8½pc 1987	88	89
Scanraff 8½pc 1988	95½	96½
Shell 8pc 1986	97	98
Standard Oil (Inc.) 8½pc '88	99	100
Tenneco 7¾pc 1987	86	87
Transocean 8pc 1986	96½	97½
TRW 8½pc 1986	96	97
Utah 8pc 1987	89	90
Volvo 9½pc 1985	99	100
Du Pont 7½pc 1978	100	101
Esso 7½pc 1978	99	100
General Motors 8¼pc 1976	100½	101½
Marubeni 9½pc 1982	98½	99½
Nippon Fudosan 10½pc 1981	101	102
Skand. Enskilda 10½pc 1981	102½	103½
Tenneco 7½pc 1979	97	98
Tokyo Curacao 10½pc 1981	101	102

Source: White Weld Securities.

NOTES	Bid	Offer
Air France 9½pc 1982	100½	101½
Aust. Ind. Dev. 10½pc 1981	102	103
Barclays 7¾pc 1975	95½	97½
Cie Ntl. du Rhone 10pc '82	101	102

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	85	87
Ashland 5pc 1988	76	78
Beatrice Foods 4¼pc 1992	91	93
Beatrice Foods 4½pc 1992	91	93
Borden 5pc 1992	86	88
Broadway Hale 4¼pc 1987	74	76
Canon Camera 7¼pc 1989	86	88
Carnation 4pc 1987	84	86
Chevron 5pc 1988	97	99
Dart 4¾pc 1987	84	86
Eastman Kodak 4½pc 1988	110	112
Economic Labs. 4½pc 1987	82	84
Eidal 7¼pc 1989	89	91
Ford 6pc 1986	85	87
Ford 5pc 1988	73	75
Fuji 6½pc 1985	103	
General Electric 4¼pc 1987	83	85
Gillette 4¾pc 1987	74	76
Gould 5pc 1987	78	80
Halliburton 4¼pc 1987	[illegible]	124
Harris 5pc 1992	66	68
Hitachi 6¼pc 1984	100	
Honeywell 6pc 1986	76	78
ITT 4½pc 1987	66	68
Komatsu 7¼pc 1990	102½	104
J. Ray McDermott 4¼pc '87	135	137
Mitsui 6¼pc 1989	135	
J. P. Morgan 4¼pc 1987	109	111
Motorola 4½pc 1988	114	119
Owens Illinois 4½pc 1987	87	89
J. C. Penney 4¼pc 1987	78	80
Pioneer 6¼pc 1989	125	130
Rand Selection 6½pc 1986	85	100
Rank 4½pc 1993	40	42
Revlon 4¼pc 1987	95	97
Sperry Rand 4¼pc 1987	92	94
Squibb 4¼pc 1987	62	64
Toshiba 6½pc 1990	100	102
Union Carbide 4½pc 1982	101	103
Warner Lambert 4½pc 1987	89	91
Warner Lambert 4¼pc 1988	77½	79½
Xerox 5pc 1988	73	75

Source: Kidder, Peabody Securities.

Late rally on Mid-East peace talks

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 11.

A LATE RALLY developed on Wall Street to-day, although enthusiasm was lacking owing to spreading prime rate increase.

The *Dow Jones Industrial* Average climbed 6.02 to 823.76, after being moderately lower most *of the session*, and the *NYSE All* Common Index recouped 23 cents to $46.15 although declines still outpaced advances by 775 to 545. Trading volume expanded 690,000 shares to 12.35m.

Some selective buying after severe recent losses was en*couraged in part by Israel's* acknowledgement that progress had been made in Peace Talks *with Egypt.*

Most analysts attributed the partial Stock Market recovery to technical factors stemming from a temporarily oversold condition, while sentiment may have been bolstered by the Commerce Department report that U.S. Retail Sales rose 2.4 per cent. in July, supporting the Administration's claims that economic recovery is underway.

IBM were up $3¼ to $183¼, Burroughs $3 to $93¾ and Procter and *Gamble* $1¾ *to* $89¼.

Motors and Oils were narrowly mixed. Some Oil Refiners raised *prices of petroleum products.*

NVF dropped $1¾ to $7¾ on sharply lower earnings.

Singer lost $¾ to $12¾, although one of its divisions signed a technical agreement with Algeria.

Michigan Seamless gained $¾ to $26¼ on higher July quarter net *earnings.*

Fletwood Enterprises advanced $1¼ to $11¼ on favourable earnings comment.

Republic tacked on $¾ at $10—July *year earnings* "comfortably *surpassed*" those of a year earlier.

Gold Minings were lower.

The American SE Market Value Index shed 0.07 to 85.79, with declines outnumbering advances *by 399 to 212.*

Westates Petroleum, the most active issue, rose $¾ to $10¾.

Nolex eased $¾ to $13¼ following bearish comment.

mixed. Chemicals and Electricals mostly improved, while Motors and Oils eased slightly.

Significant improvements were seen in Locaball, Sereg, Alsthom, CEM, Primagaz, and Auxiliaire de Navigation.

Notable losers included Eurafrance, Citroen, BHV, CGE, CFR and Roussel.

Americans and Germans were also mixed in the Foreign sector, with IBM and Eastman Kodak each lower, but Hoechst and Siemens were each better.

International Oils were resistant, with Imperial Oil and Shell Transport each higher, although Petrofina eased.

Gold Mines and Coppers slipped, with the exception of Union Miniere which gained some ground.

AMSTERDAM—Narrowly mixed in extremely small volume.

Royal Dutch moved up Fls.2 to 273 and AKZO gained Fls.2 to 37.9 but Unilever shed Fls.0.2 to 104.4.

Bankings and Insurances were steady. Algemene Bank Nederland gained *Fls.2 to 351*, and Amsterdam Rotterdam Bank put on Fls.0.4 to 77.7 pending its first half results next week.

Most Bonds lost around Fls.0.50, attributed to widespread anticipation of a new increase of interest.

BRUSSELS—Losses predominated.

Metals were lower, with Cockerill down B.Frs.16 to 1,052. Electricities dropped, with Intercom down B.Frs.15 to 1,635. Oils lost ground, with Petrofina off B.Frs.60 to 5,250.

Non-Ferrous Metals, Chemicals and Holdings gained slightly.

In the Foreign List Zaire and Dutch issues gained ground. Union Miniere were up B.Frs.10 to 1,380 and Philips B.Frs.6 to 381. U.S. shares declined. Boeing were down B.Frs.8 to 978 xd, ITT B.Frs.24 to 940, IBM B.Frs.85 to 7,320 xd, General Motors B.Frs.10 to 1,985, Union Carbide B.Frs.10 to 2,240 xd and Westinghouse B.Frs.4 to 618 xd. West Germans were little changed.

GERMANY—Shares firmed in a burst of late activity after an initially quiet session, although no clear reason for the upturn was apparent. Purchases by some "large" investors led the upward movement.

Among heavily traded stocks were Siemens up DM2.50 to 276, Deutsche Bank DM3.9 to 320.50, Thyssen DM1.50 to 88.50, Hoesch DM1.20 to 55 and Veba DM2.50 at 105.50.

In motors, VW gained DM1.90 to 115.50 and Daimler-Benz DM1.10 to 316.90.

On the Bond Market, trading was quiet with Market Regulating Banks taking up about DM10m. of stock. There was still demand for short-term stock of up to three years, however.

SWITZERLAND—Barely steady in continued quiet dealings. Apart from seasonal factors buying interest was restrained by reports that the number of short time workers in Swiss Industry will probably increase further in Autumn.

Leading Banks eased slightly. In otherwise slightly irregular Financials, Interfood "B" rose Frs.50 to 2,350, while Juvena Bearer weakened Frs.45 to 530.

Among Industrials, Von Roll eased again on its announcement of short time work.

In the Foreign Sector, Dollar stocks fluctuated narrowly. Dutch Internationals were quietly steady while Germans were little changed in minimal turnover.

COPENHAGEN — Well maintained in moderate dealings. Banks were slightly higher.

VIENNA—Steady with few changes.

OSLO—Mostly quiet, except slightly weaker shippings.

Milan — Easier over a broad front in subdued trading. All major stocks lost ground.

Bonds were quietly resistant.

TOKYO—Prices eased modestly on scattered selling, although brokers expected the Central Bank to lower its official discount rate to 7.5 per cent. from 8 per cent.

Motors generally declined on reports that the U.S. Government has begun investigating Japanese car exports to the U.S. on charges of dumping. Toyota Motor lost Y22 to 601, Nissan Motor Y8 to 325, and Honda Y9 to 521.

HONG KONG—Slightly easier but generally above the day's lows in quiet trading.

Hutchison were down 12 cents to $HK1.60, Jardines 20 cents to 21.50, Hong Kong Electric 5 cents to 3.50, China Light 10 cents to 14.60, and Hong Kong and Kowloon Wharf 10 cents to 10.70.

Hong Kong Bank firmed 10 cents to $HK14.80.

JOHANNESBURG—Gold shares were lower, reflecting lower bullion prices. "Heavyweights" were between 50 and 200 cents lower, while "medium" and "smaller" priced shares were off between 10 and 25 cents.

Financial Minings also were lower.

AUSTRALIA—Markets easier in quiet trading ahead of the Budget on August 22. The 15 per cent. devaluation of the New Zealand dollar had little impact on markets.

Coppers were depressed, despite the new peak in copper prices on the London Metal Exchange. MIM lost 5 cents to $A1.98 and Peko-Wallsend 6 cents to $A2.96.

Pancontinental dropped 20 cents to $A5.60 and Poseidon slipped 5 cents to $A1.95.

Emperor shed 5 cents to $A1.25 and Utah 4 cents to $A8.02.

BHP were off 6 cents to $A7.12.

Bundaberg gained 3 cents to $A4.25.

Most Oils held their ground, but Weeks sank 3 cents to 77 cents.

OTHER MARKETS

Canada easier

With the exception of Western Oils, which rose 1.86 to 183.83 on Index, Canadian Stock Markets were easier yesterday.

The Industrial Share Index shed 0.08 to 186.91, Golds 5.69 to 337.70, Base Metals 0.01 to 77.79, Utilities 0.12 to 128.18, Banks 1.76 to 265.75 and Papers 0.31 to 111.55.

PARIS—French shares generally *irregular in dull trading.*

Banks, Foods, Constructions Metals and Stores were narrowly

Pound easier

Sterling remained under pressure in the foreign exchange market yesterday as the recent advance by the U.S. dollar continued. Further upward movements in U.S. interest rates, with a general rise in Prime Lending Rates of ¼ per cent. to 7¾ per cent., helped support the dollar, which was also assisted by speculation that interest rates in West Germany and Japan may be reduced this week. By the close however the pound had made up some of the earlier lost ground.

The pound touched an all-time low of $2.0940-$2.0960 during the *morning*, and was believed to have received Bank of England support. During the afternoon *however* commercial demand helped push the rate up to $2.1025-$2.1035, before easing slightly at the finished to $2.1020-$2.1030, an all-time closing rate low for the pound against the dollar.

Sterling's trade-weighted average depreciation against ten major currencies since the Washington Currency Agreement (as calculated by the Bank of England) improved to 27.8 per cent., from 27.9 per cent. on Friday evening, having stood at 28.0 per cent. at noon and 27.9 per cent. in early dealings. The dollar's trade-weighted average depreciation against 14 units since the Washington Agreement, as calculated by Morgan Guaranty of *New York, on noon rates*, also improved, to 2.33 per cent. its best level since January 30, 1974, and compared with 2.49 *per cent. on* Friday. Sterling's depreciation on a similar basis narrowed to 33.58 per cent., *from* 33.74 per cent.

Gold closed $1.30 easier at $162¼-163¼ in moderate activity. The krugerrand for domestic delivery ended at $171¾-173¼ (£81¾-82¼), compared with the previous $173-174½ (£82¼-83).

GOLD MARKET

	Aug. 11 1975	Aug. 8 1975
Gold Bullion (a fine ounce)		
Close	$162¼-163¼	$165-165¾
Opening	$162¼-163¼	$164¾-165¾
Morning fix'g	$162.5 (£77.527)	$166.00 (£78.474)
Afternoon fix'g	$161.9 (£77.004)	$164.35 (£78.225)
Gold coins domestically		
Krugerrand	$171¾-173¼ (£81¾-82½)	$173-174½ (£82¼-83)
New sov'r'gns	$52½-54 (£25-25¾)	$53-54½ (£25¼-26)
Old sov'reigns	$51½-53 (£24½-25¼)	$51½-53 (£24½-25¼)
Gold coins internationally		
Krugerrand	$166½-168½ (£79-80)	$168¼-170¼ (£80-81)
New sov'r'gns	$49½-50½ (£23½-24)	$50¼-50½ (£23¾-24¼)
Old Sov're'gns	$49½-50½ (£23½-24)	$50¼-50½ (£23¾-24¼)
$20 Eagles	$250-253	$250-253
$10 Eagles	$117-120	$117-120
$5 Eagles	$84-87	$84-87

FOREIGN EXCHANGES

Aug. 11 1975	Bank Rate %	Market Rates: Day's Spread	Close
New York	6	2.0940-2.1035	2.1020-2.1030
Montreal	8¼	2.1690-2.1815	2.1800-2.1810
Amsterdam	6	5.55-5.68	5.55¾-5.56¾
Brussels	6½	80.40-80.60	80.60-80.80
Copenh'gen	8	12.50-12.56	12.51-12.52
Frankfurt	4½	5.42-5.45	5.43¾-5.44¾
Lisbon	6½	55.40-55.90	55.70-55.90
Madrid	7	122.20-122.90	122.65-122.85
Milan	7	1,404-1,412	1,409½-1,411½
Oslo	5½	11.48-11.55	11.51½-11.52½
Paris	9½	9.21-9.24	9.23-9.24
Stockholm	7	9.05-9.09	9.07-9.08½
Tokyo	8	620-630	626-628
Vienna	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]

¶ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. ♦ Rate given is for convertible francs; financial franc rate. Six-month forward U.S. dollar [illegible]

EXCHANGE CROSS-RATES

Aug. 11	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.5660-75	58.23-61	6.730-745	5.430-445	97.54-68	96.11-22
N. York	38.58-62	—	22.72-75	2.600-605	2.0970-0980	37.68-72	37.13-17
Paris	169.675-075	4.3932-4032	—	11.45¾-47¾	9.232-255	165.415-815	162.95-35
Brussels	14.76-88	38.38-43	8.70-75	—	80.56-70	14.42-51	14.21-30
London	5.43¾-44¾	2.102-103	9.23-24	80.60-80.90	—	5.562-564	5.65-66
Am'erdam	102.455-605	2.6527-62	60.36-41	6.9100-55	5.5645-95	—	98.475-525
Zurich	103.98-10	2.6885-6900	61.17-23	7.0025-1055	[illegible]	[illegible]	—

U.S. $ in Montreal U.S.$=103.70-72 Canadian cents.

Canadian $ in New York $C1=96.40-48 U.S. cents. U.S. $ in Milan 671.05.

Sterling in Milan 1406.45.

EURO-CURRENCY INTEREST RATES*

Aug. 11 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	8-10	6-6½	6½-6¾	[illegible]	[illegible]	[illegible]
7 days notice	9¼-10¼	6¼-6⅝	6-7	[illegible]	[illegible]	[illegible]
Month	10⅝-10¾	6¾-6⅞	7⅛-7⅞	[illegible]	[illegible]	[illegible]
Three month	11¼-11⅝	7-7¼	[illegible]	[illegible]	[illegible]	[illegible]
Six months	12⅛-12⅜	8-8¼	8⅜-8½	[illegible]	[illegible]	[illegible]
One year	12⅞-13¼	8½-9	9⅛-9¼	[illegible]	[illegible]	[illegible]

Euro-French deposit rate short-term 6½-7 per cent.; seven days' notice 6¾-7 per cent.; one-month 7½-8 per cent.; three months 8½-9¼ per cent.; six months 9½-10 per cent.; one year 10¼-10¾ per cent.

Longer-term Eurodollar deposits: two years 8¾-9¼ per cent.; three years 9¼-9¾ per cent.; four years 9¼-9¾ per cent.; five years 9¾-10 per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6 11/16-6 9/16 per cent.; three months 7 3/16-7 1/16 per cent.; six months 8¼-8 per cent.; one year 8¾-8¾ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

FORWARD RATES

	One month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amst'dam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Cop'n'hg'n	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockh'lm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

Six-month forward U.S. dollar [illegible] pm. and 12-month [illegible] pm.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Aug. 11	68.25	156.69	823.76	78.22	12,350
8	68.26	156.65	817.74	78.67	11,660
7	68.28	156.65	815.79	[illegible]	12,390
6	68.24	158.71	813.67	78.48	16,280
5	68.31	156.79	810.16	78.57	16,470
4	68.57	157.38	818.05	79.06	12,620
1	68.64	160.40	835.50	79.63	13,330
July 31	68.61	161.83	831.51	79.60	14,540
30	68.82	161.26	831.66	79.34	16,150
29	68.86	159.29	824.86	79.50	19,000
28	68.83	160.33	827.83	80.11	14,850
25	68.81	161.22	834.08	80.01	15,110
24	68.88	161.60	840.27	81.13	20,560
23	68.97	162.69	836.67	82.37	20,150
22	68.96	167.12	846.78	83.14	20,640
21	68.81	170.15	845.74	83.30	16,690
18	68.83	170.60	862.41	83.66	16,870
1975 High	68.92 (4/4)	174.12 (6/5)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 8	Aug. 1	Aug. 9, 1974
4.75	[illegible]	4.80

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Aug. 11	Aug. 8	Aug. 7	Aug. 6	Aug. 5
51.24 (15/7)	37.06 (2/1)	46.15	45.92	46.10	46.08	46.09

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,778	545	777	456

	Aug. 11	Aug. 8	Aug. 7	Aug. 6	Aug. 5
New Highs	4	8	4	4	10
" Lows	10	14	12	18	18

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Aug. 11	Aug. 8	Aug. 7	Aug. 6	Aug. 5
96.80 (15/7)	62.20 (2/1)	85.79	85.86	86.54	87.15	87.55
Volume (000's)		1,480	1,480	1,710	1,800	1,720

U.S. STOCK INDICES STANDARD AND POORS

	*Industrials	†Composite
Aug. 11	97.22	86.55
8	96.56	86.02
7	96.87	86.30
6	96.79	86.25
5	96.74	86.23
4	97.75	87.15
1	98.68	87.99
July 31	99.58	88.75
1975 High	107.48 (15/7)	95.61 (15/7)
1975 Low	77.71 (3/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Aug. 6 1975	July 30 1975	July 31 1974
Ind. Ord. Yield pc	3.94	3.84	4.25
Ind. Ord. p/e ratio	10.53	10.85	10.39
Long-term Govt. Bds. per cent.	5.08	5.71	6.62

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Fed. Nat. Mort.	277,300	14½	+½
Polaroid	258,800	34¾	+1½
Westinghouse Elect.	185,400	14¾	−½
Occidental Petrolm.	122,100	17¾	+¼
Emery Air Freight	116,000	38¾	−¾
Anaconda	108,300	18¾	+¼
Howard Johnson	94,200	12½	—
Nat. Semiconductor	91,000	37¾	+1¾
Xerox	90,900	60½	+1¾
Continental Tel.	86,300	11½	+¼

TORONTO

INDUSTRIAL INDEX

Aug. 11	Aug. 8	1975 High	1975 Low
186.91	186.99	198.58 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Aug. 11	Aug. 8	1975 High	1975 Low
194.98	194.86	206.01 (15/7)	169.95 (2/1)

COMBINED INDEX

Aug. 11	Aug. 8	1975 High	1975 Low
188.99	189.04	198.90 (15/7)	158.02 (2/1)

JOHANNESBURG

	Aug. 11	Aug. 8	1975 High	1975 Low
Industrials	223.3	224.0	236.0 (16/7)	183.2 (23/1)
Golds	290.0	290.9	378.1 (2/1)	256.2 (13/4)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Aug. 7	July 31	July 24
On Dividends	7.51	7.53	7.42
On Earnings	14.05	14.15	14.25

SYDNEY ALL ORD. INDEX

Aug. 11	Aug. 8	High 1975	Low 1975
359.13	360.74	[illegible] (4/6)	[illegible] (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Aug. 11	Aug. 8	High 1975	Low 1975
311.93	312.41	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ♦

Aug. 11	Aug. 8	High 1975	Low 1975
299.86	301.57	341.57 (8/6)	160.48 (9/1)

SINGAPORE INDEX §

Aug. 11	Aug. 8	High 1975	Low 1975
221.49	223.28	268.60 (11/6)	155.96 (8/1)

EUROPE

	Aug. 11	Previous	1975 High	1975 Low
Belg'm (a)	108.00	108.47	111.81 (15/5)	89.07 (2/1)
Denm'k (b)	91.55	91.63	92.80 (12/6)	73.05 (13/1)
France (d)	86.6	86.7	72.6 (23/4)	61.70 (2/1)
Germ'y (e)	709.9	708.1	726.1 (15/4)	575.6 (2/1)
Holland (f)	99.0	98.8	107.6 (6/5)	83.8 (2/1)
Italy (g)	81.90	82.40	108.86 (21/2)	61.33 (4/6)
Spain (h)	—	98.48	110.96 (22/4)	95.60 (4/7)
Sweden (k)	379.19	381.38	391.44 (1/8)	310.56 (9/1)
Switz'rl'd (m)	281.3	281.7	295.1 (6/6)	206.3 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ♦ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—95¾% (94%)

NEW YORK

Stock	Aug. 11	Aug. 8
Addressograph	6¼	6¼
Aetna Life & Cas.	23⅜	22⅝
Air Products	70⅜	69⅞
Corning Glass	45	46½
CPC Int'nation'l	42⅛	41¼
Crane	46	46¾
Crocker Nat.C.P.	22⅛	22⅜
Crown Zellerbach	37½	37
Johns Manville	22¾	23
Johnson Johnson	88⅜	88
Johnson Control	12¼	12⅜
Joy Manufactur'g	76⅜	75½
Kaiser Alumin'm	29½	30
Rapid American	5¾	6
Raytheon	47¼	47½
RCA	17⅞	17¾
Reading	2	2
Republic Steel	31½	31⅝
Revlon	71¾	71⅝
Zenith Radio	24¼	25⅝
Chile 3% 1993	86	86
Peru 3% 1993	†96	†96
U.S. Treas 6⅜% 1974	†99.30	†99.30
U.S. Treas 4% 1980	†86.06	†86.06
U.S. Treas 4¼% 75/85	†82.94	†82.00
[illegible]	[illegible]	[illegible]

CANADA

Stock	Aug. 11	Aug. 8
[illegible]	[illegible]	[illegible]

GERMANY ♦

Aug. 11	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	80.1	+0.1	—	—
Allianz Versich.	479	−5	17	1.8
B.M.W.	230	+0.2	[illegible]	3.0
BASF	143.9	+1.8	17	5.9
Bayer	117.9	+1.4	17	6.8
Bayer Hypo.	318	+1.8	18	2.7
Bayer Vereinsbk.	354.5	+5	18	2.5
Commerzbank	213	+1	17	3.9
Conti. Gummi	79.3	+0.3	—	—
Daimler	316.9	+1.1	18	2.5
Degussa	230	−2	18	4.0
Demag	171	[illegible]	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Aug. 11	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	101.5	+0.3	18	5.5
Akzo (Fl.20)	37.9	+0.2	20	10.6
Algem Bnk (Fl.100)	351	+2	20	6.2
AMAS NV (Fl.10)	12.1	−0.1	10	8.2
AMEV (Fl.50)	67.9		30	10.3
Amro Bank (Fl.20)	77.7	+0.4	20	5.2
Van Berkel (Fl.50)	115.7		15	6.5
Bijenkorf (Fl.20)	83.5	−0.5	21	5.1
Boka Westm. Fl.10	113.5	+0.8	52	4.5
Buhrm-Tetterode	64		24	7.8
Elsevier (Fl.20)	485.0		24	1.0
Ennia N.V. Bearer	119	+1	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Aug. 11	Aust. $	+ or −
Acrow Australia	†0.60	
Adelaide Brighton Cem't 50c	†0.79	−0.01
Allied Mnfg. Trdg. Indus $1	†1.52	
Ampol Exploration	†0.58	+0.05
Ampol Petroleum	†0.41	
Assoc. Minerals	†2.50	
Assoc. Pulp Paper $1	†3.78	
Aust. Con Industries	†1.25	
Aust. Foundation Invest.	†0.71	−0.01
A.N.I.	†0.77	−0.01
Aust. Oil & Gas	†0.08	−0.01
Blue Metal Ind.	†0.70	−0.01
[illegible]	[illegible]	[illegible]

VIENNA

Aug. 11	Price %	+ or −	Div. %	Yld. %
Creditanstalt	[illegible]	[illegible]	[illegible]	[illegible]
Perlmooser	[illegible]	[illegible]	[illegible]	[illegible]
Selecta	[illegible]	[illegible]	[illegible]	[illegible]
Semperit	[illegible]	[illegible]	[illegible]	[illegible]
Steyr Daimler	[illegible]	[illegible]	[illegible]	[illegible]
Veit Magnesit	[illegible]	[illegible]	[illegible]	[illegible]

JOHANNESBURG

MINES

INDUSTRIALS

[illegible]

TOKYO ¶

Source Nikko Securities Tokyo

[illegible]

PARIS

[illegible]

MILAN

[illegible]

BRUSSELS

[illegible]

STOCKHOLM

[illegible]

OSLO ♦

[illegible]

SWITZERLAND ♦

[illegible]

COPENHAGEN

[illegible]

SPAIN ♥

[illegible]

NOTES: Overseas prices exclude S premium. Belgian dividends are after withholding tax. [illegible]

FARMING AND RAW MATERIALS

Giant fall in dwarf bean prospects

By David Richardson

AS LITTLE as a week ago prospects for green dwarf beans for processing in England looked excellent. A semi-tropical crop, they had grown and blossomed through the hot weather and all that was needed was rain to set the pods.

But there was no rain, just scorching sun, and as harvesting began last week-end it became clear that yields would fall far short of expectations. Early crops on good land which had looked like yielding four to five tons per acre had evaporated to the point where it has only been possible to salvage about 1.5 tons per acre at which losses for farmers and processors will be heavy.

A significant rainfall could still save later drillings and give useful yields, but the few rain drops that have so far fallen in the bean growing areas of East Anglia and the South are insufficient and a continuation of the drought will reduce potential yields still further.

Silver leads downturn in metal markets

BY JOHN EDWARDS, COMMODITIES EDITOR

THE UPWARD move in metal prices last week ran out of steam yesterday, with silver in particular leading the downward trend.

The London bullion spot quotation for silver was cut by 10.7p to 237.4p an ounce at the morning fixing, and fell still lower before rallying in later trading back to the fixing level.

A sharp setback in the U.S. silver markets late on Friday, the lower tone of gold and expectations that the U.S. grain crop estimates would prove "bearish" encouraged profit-taking and selling of silver in a market that may have been rather overbought during the recent price upsurge.

It was the rise in grain markets, following the purchases by the Soviet Union, that stimulated predictions of a general boom in commodities, so any setback in grains would be likely to affect a wide range of other markets. Certainly this is the case with the base metals too, which were also affected by the steadying of sterling against the dollar after the £ opened the day on a weaker note.

Copper prices opened the day firmer, with three months trading as high as £627 a tonne in pre-market dealings, before falling back to £616 and finally rallying to £621.75 a tonne, £1.5 down on Friday's close. Cash wirebars closed £3.25 lower at £600.25, after trading below £600 earlier in the day.

Another rise in copper stocks—up by 8,650 tonnes to a total of 353,325 tonnes—was a bigger increase than generally expected, but had only limited impact on the market.

Also ignored was a report from Zaire that French President, Giscard D'Estaing, had offered to call a conference of copper producing and consuming countries to decide what steps should be taken to stabilise copper prices. Zaire is, of course, one of the four member countries of Cipec (the Council of Copper Exporting Countries).

The decline in silver and copper brought a drop in London tin prices, despite another sharp rise in the Penang market over the weekend that took the Straits tin quotation up by $M11 to $M1,029.325 a picul.

This increase takes the Penang price quite close to the upper price range of the International Tin Agreement — $M1040-1100 — at which the buffer stock has to be on balance a seller of tin to prevent values going through the "ceiling" of $M1100.

A fall of 85 tonnes in London in warehouse stocks, reducing the total to 5,395 tonnes, was a smaller decline than forecast but had no great influence on the market. A rise in lead stocks of 500 to 63,725 tonnes was above expectations, but prices were mainly influenced by movements in copper and silver.

Zinc was the exception yesterday, with values holding steady despite a rise of 1,075 tonnes increasing warehouse stocks to 34,150 tonnes. The decline in the value of sterling has increased pressure for a rise in the European producer quotation of £360 a tonne, since Continental producers have in effect had to reduce their prices considerably.

Dry spell hitting U.K. sugar beet

By Peter Bullen

BRITAIN'S SUGAR beet crop is beginning to suffer from the hot, dry weather and there is evidence of the spread of virus yellows the Ministry of Agriculture's weekly harvest report stated yesterday.

However, reports of further tests on West German beet indicated that the sugar content is better than had been indicated by the first tests, while from Washington Reuter said the U.S. Department of Agriculture had forecast the USSR's sugar beet output at 85m. tonnes, 11 per cent. more than last year but 9m. tonnes below the official target figure.

As a result of the conflicting effects of the reports, markets were relatively steady and quiet. Part of the calmness was also due to the general reservation of commodity markets while awaiting the USDA's key August crop forecasts.

The London daily price for raw sugar was raised £8 to £223 a ton in the morning but by the close the December sugar price on the London terminal market had fallen by £1.75 to £217 a ton.

Devaluation delays NZ wool talks

WELLINGTON, August 11.

THE NEW ZEALAND Wool Marketing Corporation said it has cancelled a meeting with Minister of Agriculture Colin Moyle on the minimum average wool price for this season.

A spokesman said the Board wanted to reconsider the question following the devaluation of the New Zealand dollar and will offer its advice to Mr. Moyle before he meets farmers on Wednesday.

In Melbourne an Australian Wool Corporation spokesman said it is not certain whether the Australian market will be adversely affected by the devaluation of the New Zealand dollar.

He said the devaluation will have little effect if the New Zealand Wool Marketing Corporation continues its policy of maintaining intervention levels at approximate parity with Australia and South Africa.

If, however, the New Zealand floor price is not adjusted for the devaluation, the 14 to 15 per cent. of the Australian clip in the 25 to 32 micron range—the most directly competitive with New Zealand wool—could be affected by a switch in demand.

Reuter

World grain markets ease

BY PETER BULLEN

WORLD GRAIN markets eased yesterday on reports that the drought has broken in the main grain growing areas of the Soviet Union.

Prices on London and Chicago markets fell and trade was quiet as the major news—the release of the U.S. August crop report and forecasts by the U.S. Department of Agriculture after the closing of the American markets—was awaited.

From Moscow, Reuter reported that timely and positive rain in recent weeks has brought relief to key Soviet spring grain areas in Northern Kazakhstan and Western Siberia, according to U.S. grain experts.

A spokesman for the four men in the team who had just completed a 19-day tour of Eastern grain lands said they found wide variation in conditions in the most productive eastern regions.

He said harvesting in the Eastern areas, which usually provide 25 per cent. of Soviet grain, will begin in 15 to 20 days time—up to three weeks early—after an unusually early spring and warm growing period.

Following a drought in the principal Western grain lands of the Ukraine and Northern Caucasus and the lowering of U.S. estimates of the total Soviet crop to 185m. tonnes against the target of 215.7m., attention has focused on performance in the Eastern regions.

The Soviet Union never publishes its own harvest estimates, leaving them to foreign observers using scant Press reports and their own observation. But the U.S. spokesman said agricultural officials do not appear surprised by the low U.S. estimate.

A harvest of 185m. tonnes would be 10m. tonnes short of last year's below-target figure (which was the second best harvest ever), and nearly 40m. tonnes less than the record harvest of 1973.

In London, meanwhile, the Ministry of Agriculture's weekly harvest report stated that cutting of winter barley is now virtually complete and yields are probably slightly below average overall.

The first reports of spring barley indicated good yields but these were from early sown crops which had looked well throughout the season.

U.S. wheat for Pakistan

BY OUR OWN CORRESPONDENT

KARACHI, August 11.

THE U.S. will provide 300,000 tons of wheat valued at $45.7m. to Pakistan under an agreement signed between the two countries in Islamabad.

The wheat supply comes under the U.S. PL 480 agricultural commodities programme and extends to Pakistan 40 years credit at low interest rates.

It is the first provision of U.S. wheat during the 1975-76 fiscal year. Last year the U.S. provided Pakistan with a total of 465,000 tons of wheat worth $75.3m.

The sale proceeds of the wheat will be used by Pakistan for a variety of self-help measures, including expanding agricultural research, increasing storage facilities and improving water resources management.

The U.S. Ambassador, Mr. Henry A. Byroade, commenting on the agreement, said that his country's food-grain supplies to Pakistan were motivated by two reasons, first, due to shortfalls there was a tremendous need for more wheat and, secondly, the U.S. found in Pakistan a country which was moving ahead in the field of agricultural development.

Ghana plans boost for cocoa output

ACCRA, August 11.

GHANA'S Ministry of Cocoa Affairs said it plans to spend slightly over £1.5m. on two cocoa rehabilitation programmes in the 1975-76 financial year, reports Reuter.

These are the first phase of a general scheme of rehabilitation programmes in six cocoa growing areas. They are in part dependent on an £11m. loan agreement with the World Bank.

Meanwhile purchases of mid-crop cocoa for the ninth week of the season ended August 7 are estimated at 393 long tons, the Ghana Cocoa Marketing Board said.

This brings total mid-crop purchases this season to an estimated 4,372 long tons.

In London the statistics committee of the International Cocoa Organisation revised its forecast of world cocoa production for 1974-75 to 1,485,000 tonnes, an increase of 36,000 tonnes from its last forecast in March.

At the same time it raised its forecast of 1974-75 grindings to 1,420,000 tonnes from 1,407,000 forecast in March.

PEST CONTROL

Synthetic hormones prove a fatal lure

BY A CORRESPONDENT

NEARLY £500M. was spent worldwide last year on insecticides, but many of them, in addition to being dangerous, have become ineffective.

The speed with which pests have developed resistance to broad spectrum insecticides such as DDT is the wonder of entomologists and the despair of farmers. Fortunately, the vicious circle of resistance development may finally be broken by new methods of pest control based on scientists' findings about the *life cycles and sex lives of insects.*

The falseness of the farmer's old saying: "The only good insect is a dead insect," has been amply demonstrated in recent years. Although there are 1.7m. species of insects, only about 3,000 of these are pests; many of the others keep pest populations down by preying on them.

For instance, in western New York state's apple orchards, the red banded leaf roller only became a problem when heavy use of DDT to control the codling moth (the larva of which is the notorious worm in the apple) killed off the natural predators of the leaf roller, which was itself little affected by DDT.

Success

What clearly is needed are new methods which act only on the target pest, and against which insects cannot develop resistance. A new class of chemicals for control, copies of biochemicals which occur naturally in insects, have been developed and are being used commercially with results that appear to satisfy these criteria.

One such method has achieved considerable success in New York's apple and California's year orchards. The method works by turning insects' scent communication system, specifically the part which regulates their mating, against them.

It has been known since 1837 that scents produced by female insects were a lure for males; these pheromone mating attractants have been found to be very potent indeed. The pheromone produced by some female moths is sufficient to lure a billion males of her species from as far as six miles away.

In recent years specific pheromones have been identified and synthesised in laboratories, and at a much faster rate now that better methods have been developed.

The initial products were small traps which could be hung in trees, and lured one or a few closely related types of pests. These traps were not intended to kill large numbers of insects. Rather, by periodically observing the number and stage of development of the insects on the sticky surface of the trap, the farmer can know whether and when best to spray with conventional insecticides.

Pest control costs of New York apple growers using these monitoring techniques it is claimed, average 25 per cent. lower than for those who simply spray by *the calendar.*

Timing is extremely important for achieving maximum effectiveness from the insecticides applied: the target insect is at its most vulnerable for only brief periods, and spraying by the calendar can be as much as three weeks off, killing mainly the beneficial insects.

Reducing the use of insecticides also cuts the cost of removing toxic residues from crops and prolongs the time till insects develop resistance.

The Zoecon Corporation of Palo Alto, California is developing new applications of insect pheromones which would control the target pest more directly. With chemical enhancers traps can be made more alluring than any female and by capturing enough males the pest population cannot be maintained and soon dies out.

Another method being studied involves flooding the male insect's environment with mating pheromone at just the time the female is ready to mate. This confuses the males and makes them lose interest in females. The application of this technique awaits the development of a slow release system which would keep the males confused for the entire mating period.

Probably because pheromones are naturally occurring substances, existing solely to permit communication in one species, they appear to have no effects on other animals or the environment. Since they are an inherent part of the insect's make-up, it seems unlikely the insect would be able to develop resistance.

One dramatic example of the development of resistance took place in the San Joaquin valley of California—formerly arid land which, by flood irrigation, has been made fertile during its five month summer.

Such conditions are ideal for the breeding of mosquitoes, but they have been held in check by extensive use of insecticides. A few years ago they developed resistance, and soon mosquito densities that exceeded 2bn. per acre produced swarms that looked like small tornadoes.

These mosquitoes have now been brought under control by the use of another man-made insect biochemical, in this case the hormone that regulate the insect's growth and development.

Insect juvenile hormones which were first isolated in the 1940s, are naturally produced in the brain during the infant, larval stage. They are necessary at that time, but if present when *the insect is ready for pupation,* metamorphosis into an adult, they prevent maturation and the insect dies.

Hundreds of insect growth regulators (IGRs) varying in potency, stability, target and selectivity have been synthesised. Products are now available to control mosquitoes, aphids (for which the lack of effect on the many natural predators is a considerable advantage), and flies which breed in cattle and poultry manure.

When added to the mineral licks of cattle or the feed of poultry, the IGR is present in the manure and prevents the development of the maggots which grow from the eggs laid by the mother fly. The synthetic IGR has proven highly desirable in this application because it is biodegradable and leaves no lasting residue in the food chain.

Hibernate

Researchers are now particularly interested in understanding the way insects synthesise their juvenile hormones. A better understanding might make it possible to develop new chemicals, not occurring in nature, which would suppress the insect's production of hormones.

This means that chemical and physiological transformations which make an adult insect dramatically from a larva would never occur, leading to the death of the insect. It has been difficult to apply IGRs to moths at the appropriate time, and it is believed that this new approach might be particularly useful in their control.

Other control methods based on insect hormones are possible.

Combination approaches which lure insects with pheromones to either conventional insecticides or hormonal systems appear to offer means of enhancing insect control.

All these approaches have ecological advantages and are unlikely to become ineffective because of insect resistance.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Marginally lower on balance on the London Metal Exchange. Prices were firmer in pre-market trading with forward metal moving up to £627, encouraged by renewed speculative demand. The higher level promoted back-pricing sales and profit-taking, however, which coupled with a larger than expected rise in warehouse stocks took the price back [illegible]

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	597.5-8	-3.75	600-.5	-5.25
3 months	618-.5	-3.25	621.5-2	-1.5
Settlem'nt	598	-4	—	......
Cathodes				
Cash	585-6	-3.25	588-9	-2.25
3 months	606-7	-2.25	609-10	-1.25
Settlem'nt	586	-3	—	......
U.S. Smt.	—	......	*63-65.7	......

Amalgamated Metal Group reported that in the morning cash wirebars traded at £598, three months £622 to 17, 18, 19, 18.5, 18. Cathodes: cash £586, three months £606. Kerbs: Wirebars: cash £598, three months £618 to 16, 17, 17.5. Afternoon: Wirebars: cash £600, three months £620, 21, 22, 21.5. Cathodes: cash £588. Kerbs: Wirebars: three months £621.5, 21, 20.5.

TIN—Lost ground. Prices were initially higher [illegible]

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3228-30	-35.5	3228-30	-13.5
3 months	3265-7	-26.5	3265-8	-10
S'ment	3230	-35	—	......
Standard				
Cash	3228-30	-33.5	3228-30	-13.5
3 months	3265-7	-26.5	3265-8	-10
S'ment	3230	-35	—	......
Straits E.	$1029½	+11	......	......
New York	—	......	350.25	......

however, prompted profit-taking and the price slipped to £3,250 before ending at £3,255 on the afternoon Kerb. Turnover 590 tonnes.

Morning: Standard: cash £3,225, 30, three months £3,265, 60, 65. High Grade untraded. Kerbs: Standard: three months £3,265, 55, 50. High Grade untraded. Afternoon: Standard: cash £3,215, 20, 30, three months £3,265, 60, 65. High Grade untraded. Kerbs: Standard: late Oct. £3,260.

LEAD—Easier but above the day's lowest. [illegible]

ZINC—[illegible]

SILVER

Silver was fixed 10.7p an ounce lower for spot delivery in the London bullion market yesterday at 237.4p. [illegible]

LME—Turnover [illegible]

COCOA

Prices drifted lower in quiet featureless conditions, [illegible]

COCOA	Yesterday's Close	+ or —	Business Done
No.4 Contract			
September	[illegible]		
December	[illegible]		
March	[illegible]		
May	[illegible]		
July	[illegible]		
September	[illegible]		
December	[illegible]		

Sales: [illegible]

International Cocoa Organisation [illegible] Daily 55.8[illegible] Indicator [illegible] 22-day average [illegible]

FREIGHTS

DRY CARGOES—[illegible]

Atlantic paid $8.50 f.i.o. prompt. Time charters fixed a vessel of 22,811 long d.w.t. for 12 months' trading at $2.25 delivery September/October and a vessel of 107,310 long d.w.t. for 10 to 11 months' trading commencing November at 70 cents.

COFFEE

Robusta futures held steady in the [illegible]

RUBBER

UNCHANGED opening in the London physical market. [illegible]

SOYABEAN MEAL

[illegible]

GRAINS

THE BALTIC—[illegible]

HGCA—Regional and U.K. average ex-farm spot prices for week-ending Monday, August 11. Soft milling wheat: [illegible]

LONDON GRAIN FUTURES MARKET (GAFTA)—[illegible]

SUGAR

LONDON DAILY PRICE (raw sugar) [illegible]

WOOL FUTURES

LONDON—[illegible]

SYDNEY GREASY [illegible]

MEAT/VEGETABLES

SMITHFIELD [illegible]

Ulster hindquarters 36.0 to 35.0, forequarters 18.0 to 18.0; Eire hindquarters 35.0 to 30.0, forequarters 18.3 to 18.5.

Veal: English fats 36.0 to 42.0, special quality 43.0; Scotch bobbies 8.0 to 10.0; Dutch hinds and ends 38.0 to 44.0.

Lamb: English small 26.0 to 32.0, medium 24.0 to 28.0, heavy 23.0 to 26.0; Scotch medium 25.0 to 27.0, heavy 23.0 to 25.0; Imported frozen New Zealand D's [illegible]

MEAT COMMISSION—[illegible]

COVENT GARDEN [illegible]

COTTON

LIVERPOOL COTTON—[illegible]

JUTE

DUNDEE—[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 11 1975	+ or —	Month ago
Metals			
Aluminium	£396	......	£396
Free Market	£355-365	......	£305-315
Copper			
Cash Wire Bars	£600.25	-3.25	£564.5
[illegible]			£583.25
[illegible]			£551.5
[illegible]			£570.5
[illegible]			£156.5
[illegible]			£164
[illegible]			£170.75
[illegible]			£1,958
[illegible]			

[illegible]

GRIMSBY FISH—Supply good, demand fair. [illegible]

FINANCIAL TIMES				
Aug. 11	Aug. 8	Month ago	Year ago	
182.01	182.19	188.39	205.17	

(Base: July 1, 1952=100)

REUTER'S				
Aug. 11	Aug. 8	Month ago	Year ago	
1170.6	1173.6	1129.1	1255.2	

(Base: Sept. 18, 1931=100)

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

Silver down but copper, gold go up

NEW YORK, August 11.

SILVER eased while Platinum, copper and gold showed a firm trend. Chicago grains were down, along with cotton, sugar and coffee.

Cocoa—Ghana spot 78 (75½). Bahia spot 36.65 (56.31), Dec 52.00 (51.51), March 50.65, May 49.70, July 49.20, Sept. 48.60, Dec. 48.10. Sales: 720.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (101.50 nom.). "C" Contract: Sept. 81.90 (84.50), Nov. 83.50 nom. (84.20), Dec. 82.75-82.80, March 82.85-83.00 asked, May 83.90, July 84.40 nom. Sales: 273.

Copper—Aug. 58.40 (57.90), Sept. 58.60 (58.20), Oct. 59.20, Dec. 60.10, Jan. 60.50, March 62.00, May 63.00, July 64.00, Sept. 65.00. Sales: 1,436.

Cotton—Oct. 49.45 (49.50), Dec. 49.75-49.78 (49.85), March 50.65, May 51.20-51.70 asked, July 51.75-51.90 asked, Oct. 52.40 bid, Dec. 52.60-52.95 asked. Sales: 1,400.

†Gold—Aug. 162.10 (161.80), Sept. 163.10 (163.00), Oct. 164.10, Dec. 166.70, Feb. 169.80, April 172.50, June 175.50, Aug. 178.50, Oct. 181.50, Dec. 184.50. Sales: 1,202.

Greasewool—Spot 143.0 nom. (same). Oct. 147.0-154.0 asked (146.0), Dec. 152.0-154.0 asked (149.0), March 151.0-153.0 asked, May 150.0-153.0 asked, July 150.0-155.0 asked, Oct. 150.0 bid, Dec. 150.0 bid.

†Lard—Chicago loose 36½ nom. (36½ traded). NY prime steam 35 nom. (same).

††Maize—Sept. 307-306½ (308½), Dec. 296½-297½ (298½), March 305½-306½, May 311, July 313.

‡Platinum—Oct. 170.30 (168.50), Jan. 174.50 bid (172.90), April 179.40 bid, July 173.40 bid, Oct. 187.60 bid, Jan. 192.10 asked. Sales: 536.

‡‡Silver—Spot 500.00 (517.50), Aug. 498.40 (504.50), Sept. 501.50 (508.50), Oct. 506.00, Dec. 515.00, Jan. 519.20, March 527.40, May 535.40, July 543.30, Sept. 551.20, Dec. 563.10. Sales: 17,751.

*Soyabeans—Aug. 597 (606), Sept. 598-599 (611¼), Nov. 601½-604, Jan. 605-611, March 618, May 623, July 626½, Aug. 627.

bSoyabean Meal — Aug. 132.00-132.50 (133.70), Sept. 127.00-136.50 (135.70), Oct. 138.90-139.30, Dec. 143.70, Jan. 146.50, March 151.00-152.00 asked.

Soyabean Oil—Aug. 25.75-25.95 (29.62), Sept. 27.50-27.56 (28.48), Oct. 26.60, Dec. 25.70-25.65, Jan. 25.10-25.20, March 24.80, May 24.50-24.70 asked, July 24.20 asked, Aug. 23.55 asked.

Sugar—Spot 20.00 (same), Sept. 19.60-19.20 (20.25), Oct. 19.15-18.90 (19.50), Jan. 18.75 nom., March 18.40-18.28, May 18.00-18.02, July 17.70-17.75, Sept. 17.50-17.35, Oct. 17.40. Sales: 4,615.

Tin—322.50-397.00 asked (328.25).

**Wheat—Sept. 384-384 (386½), Dec. 400-399 (401), March 410½-410, May 413, July 394.

WINNIPEG, Aug. 11. ††Rye—Oct. 29.6 (291½ bid), Dec. 286 asked (285 bid), May 287½ bid.

cOats—Oct. 162½ bid (163), Dec. 159 bid (159 asked), May 157½ bid.

§Barley—Oct. 250½ bid (250), Dec. 252 bid (251½ bid), May unquoted.

dFlaxseed—Oct. 830 bid (844 bid), Nov. 811 (822-824 bid), Dec. 801 asked, May 725 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 535½ (535).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. † $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.8 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. h Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

ROASTINGS

WASHINGTON, August 11.

U.S. coffee roasting, including those for soluble use, declined to 4.534m. bags during the second quarter of 1975, the Commerce Department reports. This compares with 4.620m. bags in April-June 1974.

LEGAL NOTICES

No. 002647 of 1975

In the HIGH COURT of JUSTICE Chancery Division Companies Court In the Matter of GLORIA JOSEPH ASSOCIATES Limited and in the Matter of The Companies Act 1948.

Notice is hereby given, that a Petition for the Winding-up of the above-named Company by the High Court of Justice was, on the 6th day of August, 1975, presented to the said Court by Wiggins Teape Paper Limited whose Registered Office is at 11, Dingwall Road, Croydon, Surrey, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 13th day of October 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

Wm. F. PRIOR and CO., Temple Bar House, 23/28, Fleet Street, London, E.C.4 Solicitors for the Petitioner

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of October, 1975.

No. 002645 of 1975

In the HIGH COURT of JUSTICE Chancery Division Companies Court In the Matter of MILL REEF PRESS Limited and in the Matter of The Companies Act 1948.

Notice is hereby given that a PETITION for the WINDING-UP of the above-named Company by the High Court of Justice was on the 6th day of August 1975, presented to the said Court by Wiggins Teape Paper Limited whose Registered Office is at 11, Dingwall Road, Croydon, Surrey and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 13th day of October 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

Wm. F. PRIOR and CO., Temple Bar House, 23/28, Fleet Street, London, E.C.4, Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of October, 1975.

STOCK EXCHANGE REPORT

New Account in equities starts on a quietly firm note

Share index up 4.5 at 283.3—Commercial Union weak

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 28	Aug. 7	Aug. 8	Aug. 19
Aug. 11	Aug. 20	Aug. 21	Sep. 2
Aug. 22	Sep. 4	Sep. 5	Sep. 16

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets began the new Account firmly yesterday, but British Funds failed to consolidate on last Friday's minor rally, sentiment in the latter being affected by the rising trend in interest rates and by a Press suggestion that there may be a call for a increase in special bank deposits. Falls in Gilt-edged, however, were limited to ¼ which left the Government Securities Index down 0.21 at 59.52.

In contrast, leading industrials made headway after an uncertain start. Buying interest was very modest, but with the market none too well supplied with stock, *prices responded fairly quickly.* Closing gains ranged to around 5 and the FT 30-share index ended at the day's best with a rise of 4.5 at 283.3. News of the large underwriting losses from Commercial Union, down 13 at 131p, tended to dampen enthusiasm in the afternoon and prompted a sympathetic reaction in other Composite Insurance shares. This was reflected in a fall of 4.8 per cent. to 90.55 in the FT-Actuaries index for the subsection.

Gilts quietly dull

Secondary issues made a mixed showing, but rises were in a narrow majority (5—3) over falls in FT-quoted Industrials. Official markings of 4,478 compared with 4,539 last Friday and 3.526 a week ago.

Sterling's inability to recover together with the trend to higher interest rates (more U.S. Prime rates were raised to 7¾ per cent. yesterday) made for dullness in British Funds. Occasional selling lowered the longs by ⅜ at one stage, but the losses were finally reduced to ¼ and, in places, ⅛. Meanwhile, the shorts gave up ⅛ in equally small trading before rallying late on hopes that the recent rising tendency in U.S. Treasury bill rates could be abating. Week-end comment that special bank deposits might be increased shortly had some adverse bearing on sentiment.

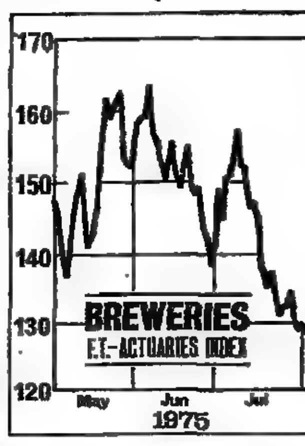
Optimism over preliminary talks beginning soon on the question of the deadlocked constitutional issue prompted interest in Southern Rhodesian bonds; the 2½ per cent., 1965-70, issue rose 4 to £41.

Reflecting the early dullness in sterling, the investment dollar premium rose to 96½ per cent. but it subsequently reacted to close 1¾ higher on balance at 95¾ per cent. Yesterday's SE conversion factor was 0.6326 (0.6428).

The poor interim results which revealed heavy underwriting losses, particularly in the United States, depressed Commercial Union and demoralised the Insurance Composite sector. Commercial Union quickly ran back on the announcement to close 13 down at the day's lowest of 131p. General Accident, 131p (interim due to-morrow) and "Royals," 248p (interim due August 19) fell 9 and 12 respectively, while Sun Alliance lost 8 to 357p and Phoenix declined 6 to 186p. Guardian Royal Exchange closed only 2 cheaper at 170p. Elsewhere, Pearl improved 3 to 188p.

The big four Banks managed to edge higher on very little business. Barclays rose 7½ to 238p xd and National Westminster ended similarly dearer at 197p. Lloyds improved 5 to 185p and Midland hardened 2 to 222p. Up 3 last Friday on Press comment, C. T. Bowring remained in favour, rising 4 more to 57p in Merchant banks where Mercury Securities put on 5 to 103p and Guinness Peat gained 3 to 134p. Slater Walker Securities, on the other hand, cheapened a penny to 61p; the interim results are due a week to-day.

A favourable week-end Press helped to bring about a firmer



trend in Breweries. Scottish and Newcastle, 43p, Whitbread "A," 50p, and Allied, 57p, all improved a penny, while Arthur Guinness recovered 2 to 105p. Elsewhere, newspaper comment also helped H. P. Bulmer harden 2 to a 1975 high of 64p. Distillers edged forward 1½ to 102p xd.

Buildings made a gloomy showing with contractors particularly depressed by fears of further cutbacks in public spending. R. Costain were lowered 7 to 153p, while Taylor Woodrow, 220p, and John Laing "A," 86p, lost 5 apiece. Geo. Wimpey receded 4 to 86p despite news of some substantial new contracts. Ellis and Everard featured late with a fall of 12 to 97p in a thin market on the sharply reduced dividend and lower profits. Norwest Holst, unchanged at 16p, recovered an earlier fall of 2 which followed the disappointing results. Stoneware continued firmly, risink 10 further to 200p on renewed bid speculation.

Stores firmer

ICI revived with a rise of 5 to 246p. Elsewhere in Chemicals, *Lankro hardened 2 to 52p and* Fisons moved up 5 to 335p. British Tar Products, however, shed 2 to 24p.

Stores closed on a firm note with Marks and Spencer finishing 3 better at 93p and "Gussies" 'A' 4 higher at 151p. F. W. Woolworth were a fraction harder at 42½; the interim figures are expected August 20. Secondary issues sported minor mixed movements after a quiet trade. John Menzies moved up 3 to 108p, but E. Upton 'A,' 18p, Allied Retailers, 52p, and Lincroft Kilgour, 22p xd, all closed 2 cheaper. An isolated dull spot in Mail Orders was provided by MFI Warehouse, which declined 1½ to 13p. In Shoes, Lambert Howarth were lowered 3 to 29p.

Most electrical leaders edged forward in very thin trading. EMI finished 4 better at 165p and GEC recorded a gain of 3 at 114p, after 115p, while Plessey closed a penny harder at 64p. Philips' Lamp moved up 10 to 730p in line with the firmer investment premium; the half-year results are expected on Thursday. Second-line issues displayed narrow irregular changes, although BSR were noteworthy for an improvement of 4 to 62p. Racal Electronics were quoted ex the 100 per cent. scrip issue at 149p for an effective gain of 1½.

An irregular trend was evident in Engineerings, where GKN rose 5 to 201p, but Tube Investments fell to 214p before rallying to close unchanged on balance at 220p. Press comment took Westland up 3 to 40p, while the new nil-paid shares improved only 1½ to 5¼p premium. Woodhouse and Rixson gained 2 to 26p. A stock shortage was partly responsible for firmness in Babcock and Wilcox, 7 higher at 92p, and ahead of to-day's preliminary figures, Acrow 'A' advanced 4 to 58p. Howard Machinery were quoted ex "*rights*" at 28p; with the new nil-paid at 1p premium. Elsewhere, scrappy selling in a restricted market brought Martonair down 7 to 124p and, on the interim statement, Aluminium Corporation lost 3 more to 42p.

Foods made modest headway in quiet trading. Cadbury Schweppes hardened 2 to 42½p, while RHM, 35½p, and Unigate, 40p ex dividend, put on 1½ apiece. J. E. Sanger moved up 2 to 36p on the increased dividend, but further consideration of the interim statement left J. Bibby 1½ cheaper at 54p. British Sugar were supported up to 330p ex dividend, a rise of 9. Supermarkets edged higher with Tesco closing 1½ firmer at 39½p. Hillards finished a penny up at 72p on the increased earnings.

Press comment generated a fair *amount of interest in J. Lyons* "A," which closed 6 better at 126p. Wheelers Restaurants were raised 3 to 90p ex dividend, but Brent Walker gave up a like amount at 33p.

Scotia Invs. good

Light support for the miscellaneous Industrial leaders left modest improvements. Reckitt an Colman were an exceptional 8 up at 288p, while gains of about 5 occurred in Reed International, 190p, Glaxo, 335p, and Bowater, 138p xd. Unilever put on 4 to 324p awaiting to-morrow's half-time statement. Beecham closed similarly firmer at 262p, while Boots hardened 3 to 100p. Elsewhere, Press suggestions that the Alco Metropolitan Properties bid for Scotia Investments may soon be resolved brought a rise of 3½ to 16p in the latter. Cawoods put on 5 to 120p ahead of the annual results, while Siebe Gorman gained 3 at 110p on the chairman's statement with the full report and John James 1½ at 22p in response to the increased profits. Thomas Witter, 19p, recouped 2 of last Friday's loss of 3 which followed the poor interim results. Lyon and Lyon were raised 4 to 20p on small buying in a thin market, while further speculation on the bid talks with LCP left Central Manufacturing 1½ firmer at 65p.

James Warren added 3 at 73p and Silentnight 2 at 20p. On a gloomier note, Manchester Ship Canal receded 10 to 160p in reflection of the half-year fall in profits while, still depressed by the termination of bid talks with Warner Communications, Robert Stigwood lost 4 more to 26p for a fall of 15 over the last two business days.

Dealings began yesterday in British Leyland Limited fully paid shares of 50p following the reorganisation and the passing of control of the company to the Government; after opening at 20p, the shares improved to 34p in light trading before closing at 27½p. Elsewhere, Lucas Industries reacted to 98p before finishing 3 easier on balance at 100p. Dunlop contrasted with a rise of 3 to 43p, while modest gains were recorded by Kennings, 31p xd, and Pride and Clarke, 145p xd.

Ault and Wiborg succumbed to the first-half setback, losing 2 to 23p, but other changes in Paper/*Printings* were often marginally harder. Exceptionally, Inveresk rose 2½ to 46½p. Interest was not really sufficient to test either Newspapers or Publishers, where Morgan-Grampian improved 1 to 35p following the satisfactory first-quarter's trading.

MEPC rise

Press comment suggesting that Royal Insurance might mount a take-over bid for MEPC helped to stimulate interest in the Property leaders in general. A reasonably good demand for MEPC, 81p, and Land Securities, 141p, left both closing at the day's best with rises of 6 apiece, while British Land, 17½p, and English Property, 44p, put on 1½ apiece. Secondary issues were also inclined to harden. Churchbury Estates appreciated 5 to a high *for the year of* 135p on fresh speculative support in a limited market. Evans of Leeds were quoted ex-scrip issue at 42p.

A sharp upturn in Oils owed rather more to the thinness of the market than a noticeable increase in trade. Week-end comment of Shell's fine second-quarter figures promoted a demand which took the price up to 313p before a close of 312p, a net rise of 10, but British Petroleum were relatively quiet, although finally 15 higher at 498p, after 503p; Middle East political developments obviously had a bearing on sentiment in both stocks. Encouraging newspaper mention attracted buyers to Ultramar, which rose 10 to 190p, while investment currency influences carried Royal Dutch up ¾ to £26¾. Among overseas issues, Weeks Natural Resources Preferred Ordinary lost 6 to 70p.

Harrisons and Crosfield made a firm showing in Overseas Traders at 900p, up 63, while South African Distilleries and Wines improved another 10 to 380p and Lonrho hardened 2 to 115p.

Financials were featured by Lampa Securities, which rallied 5 to 51p on further consideration of the results. Challenge Corporation, on the other hand, lost that amount to 118p. *Dalgety* were sold down to 171p, for a fresh loss of 8, while falls of around 2 were seen in J. F. Nash, 38p, and Western Selection, 23p.

After last Friday's late speculative flurry, Furness Withy turned easier yesterday on the absence of any bid developments, closing 4 down at 225p. P & O Deferred edged forward a penny to 81p and Lyle improved 2 to 216p.

A small demand in a market short of stock helped Courtaulds harden 4 to 114p in Textiles. Corah edged forward a shade to 18p in front of to-morrow's interim results, but Carpets International shed 3 to 54p despite favourable week-end Press comment. Failure to dispose of their Sirela Manufacturing investment left U.U. a penny down at 4p.

A *dull market last week (down* 13) on fears of fresh Government curbs on smoking, Bats took a turn for the better, closing 5½ up at 272p xd. Imps hardened ½ to 62p, after 63p, helped by week-end Press comment.

Week-end Press comment drew attention to Clairmace, which moved between extremes of 57p and 54p before closing unaltered on the day at 56p.

Despite the statement by South African bankors that sales of gold on the free-market would probably slacken in the weeks ahead following that country's announcement concerning foreign exchange control measures, shares of the Republic's producers had a poor day in line with the metal price which fell $1.30 to $162.75 per ounce.

Although offerings of stock were not heavy and there was a rally in the investment premium, shares prices drifted throughout the day and, with modest U.S. selling in late trading, ended at the session's lowest. The Gold Mines index fell 7.5 to 352.9.

Falls in the heavyweights ranged to ¾ in West Drie at £43½ while Vaal Reefs (£29½) and President Steyn (£16¾) were both a half-point off. Loraine fell 20 to 335p. Financials mirrored the trend in Golds with Gold Fields 7 down at 230p. GFSA were unaltered at £33½ following the increased profits and dividend.

Platinums turned easier owing to profit-taking after last week's rises with Potgietersrust losing 6 at 242p and Bishopsgate 4 to 108p. Coppers were little tested, Palabora easing 5 to 970p following the sharply lower half-year profits.

The easier tone of home markets overnight was countered to some extent in Australians by the rally in the premium. Even so, a majority of small losses prevailed on balance with Pancontinental losing 15 to 530p.

Elsewhere, hopes for fresh news on the company's oil ventures in the Celtic Sea added 4 to Silvermines at 57½p. Tin were neglected.

FINANCIAL TIMES STOCK INDICES

—	Aug. 11	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	A year ago
Government Secs	59.52	59.73	59.53	60.87	60.47	60.70	55.82
Fixed Interest	59.54	59.87	59.92	60.37	60.29	60.58	55.15
Industrial Ordinary	283.3	278.8	277.7	287.2	289.6	282.1	229.3
Gold Mines	352.9	360.4	357.5	358.1	363.5	357.8	365.3
Ord. Div. Yld. %	7.26	7.36	7.39	7.17	7.11	7.27	8.72
Earnings Yld. % (full) (a)	20.95	21.35	21.33	20.68	20.51	20.98	23.42
P/E Ratio (net) (a) (b)	6.81	6.71	6.69	6.90	6.95	6.80	5.96
Dealings marked	4,478	4,539	4,099	3,887	3,559	3,480	5,565
Equity turnover £m	—	45.27	45.83	37.88	40.13	23.47	25.51
Equity bargains total	—	11,004	10,143	9,740	9,023	8,037	8,979

10 a.m. 279.5 11 a.m. 278.2 Noon 280.0 1 p.m. 280.9 2 p.m. 281.9 3 p.m. 282.6.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=6.77.
Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ind. Ord. 1.7.35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/3)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Aug. 11	Aug. 8
Daily—		
Gilt-Edged	145.2	124.9
Industrials	145.7	157.0
Speculative	50.6	50.9
Totals	101.9	103.3
5-day Av'r'ge		
Gilt-Edged	128.4	123.4
Industrials	136.3	129.4
Speculative	42.5	38.2
Totals	93.6	88.1

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS
GROUPS & SUB-SECTIONS
Figures in parentheses show number of stocks per section.

	Group	Mon. Aug. 11 Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Friday August 8 Index No.	Thurs. August 7 Index No.	Wed. August 6 Index No.	Tues. August 5 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	102.83	+1.0	22.44	7.85	6.62	6.62	101.78	102.81	105.01	104.54	82.15	131.85 (6/6)	51.78 (6/1)	206.37 (4/5/72)	15.70 (13/12/74)
2	Building Materials (30)	88.47	+0.4	19.75	8.91	7.55	7.53	88.12	88.65	89.22	88.25	62.44	117.40 (22/4)	46.11 (6/1)	233.84 (25/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	168.39	−3.6	21.46	5.46	7.01	7.01	172.87	177.17	180.75	180.59	129.79	251.61 (22/4)	74.74 (6/1)	389.35 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	196.49	+2.7	20.80	5.90	7.07	7.05	191.30	194.75	202.56	201.85	150.16	234.64 (6/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/65)
5	Engineering (Heavy) (13)	121.79	+1.5	27.94	8.02	5.46	5.46	119.87	121.34	125.55	123.04	94.52	169.79 (22/4)	64.39 (2/1)	202.57 (4/5/73)	64.39 (2/1/75)
6	Engineering (General) (64)	90.45	+1.2	24.03	9.09	6.15	6.14	89.58	89.75	91.50	91.36	68.49	117.40 (6/6)	45.45 (6/1)	158.69 (4/4/73)	45.45 (6/1/75)
7	Machine and Other Tools (9)	37.38	+0.5	30.86	11.02	3.75	3.73	37.27	37.60	38.15	38.01	29.42	48.98 (20/5)	20.11 (2/1)	136.70 (4/7/65)	19.96 (13/12/74)
8	Miscellaneous (23)	93.44	+0.8	26.00	9.29	5.75	5.75	92.74	92.65	95.54	95.19	75.58	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (57)	78.64	−0.2	24.98	7.82	5.85	5.84	78.76	78.80	80.54	80.35	67.55	95.15 (6/6)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	91.93	+0.4	21.44	5.75	6.90	6.89	91.61	91.51	93.68	93.72	76.88	106.34 (6/6)	44.28 (6/1)	257.41 (19/6/72)	42.65 (12/12/74)
11	Household Goods (15)	120.30	−0.9	35.05	8.52	4.18	4.18	121.41	123.46	125.42	123.28	110.43	146.90 (23/4)	64.55 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	41.50	−0.7	35.21	11.24	5.48	5.45	41.79	41.57	42.86	42.52	36.30	50.91 (6/6)	19.91 (6/1)	170.59 (16/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	114.88	+1.0	17.42	7.34	8.29	8.23	115.72	114.63	117.55	117.34	89.74	146.46 (6/6)	61.98 (6/1)	226.08 (16/5/72)	61.41 (13/12/74)
14	Breweries (16)	127.08	+1.1	15.57	6.00	9.66	9.66	125.76	127.78	130.92	130.82	103.03	163.83 (6/6)	75.55 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	125.59	−2.0	15.50	8.07	9.75	9.75	128.20	128.40	131.84	132.09	114.02	177.94 (9/7)	80.42 (6/1)	357.40 (13/7/72)	78.56 (13/12/74)
16	Entertainment, Catering (16)	131.29	+1.6	15.70	6.47	9.85	9.35	129.24	130.52	134.07	134.21	91.23	158.44 (27/6)	55.28 (6/1)	329.99 (12/12/72)	54.83 (6/1/75)
17	Food Manufacturing (22)	124.10	+0.7	16.54	6.43	8.31	8.27	123.19	124.27	126.01	124.89	95.16	156.57 (6/6)	62.05 (2/1)	211.65 (1/6/72)	59.77 (11/12/74)
18	Food Retailing (16)	114.76	+1.4	15.74	5.62	10.60	10.60	113.19	114.73	117.00	116.02	80.01	149.17 (4/6)	57.15 (2/1)	255.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	115.41	+0.8	18.17	8.41	8.37	8.57	114.50	115.58	117.14	115.92	108.06	152.14 (6/6)	55.08 (6/1)	260.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	77.85	+0.9	23.48	9.49	5.15	5.16	76.83	77.95	78.57	79.13	67.00	107.12 (20/6)	45.46 (6/1)	135.69 (26/4/72)	45.46 (6/1/75)
21	Stores (31)	98.31	+1.5	14.68	5.65	10.35	10.35	96.83	97.38	100.86	101.21	74.56	132.94 (21/6)	52.65 (6/1)	204.39 (16/8/72)	52.65 (6/1/75)
22	Textiles (23)	119.73	+1.9	29.17	8.95	4.14	4.04	117.50	118.00	120.86	119.66	104.08	145.07 (27/5)	62.91 (6/1)	253.72 (17/8/69)	62.66 (11/12/74)
23	Tobacco (3)	169.97	+0.8	19.60	7.93	7.76	7.76	168.57	169.32	174.34	174.49	189.64	199.16 (10/3)	109.92 (6/1)	339.15 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	40.37	−0.6	32.41	8.97	4.24	4.24	40.62	41.14	41.14	41.56	33.21	44.06 (6/6)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (24)	153.65	+1.3	22.65	5.55	6.32	6.32	151.65	152.72	156.39	156.61	112.73	180.17 (6/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	68.15	−0.5	20.51	7.64	6.76	6.76	68.47	69.73	71.60	69.75	83.39	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	313.65	−0.5	17.40	7.56	4.71	4.56	315.20	321.17	325.88	324.76	275.61	401.84 (10/3)	194.39 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	117.55	+1.5	22.97	8.49	6.37	6.36	116.16	117.00	119.92	119.54	99.36	153.58 (6/6)	60.39 (6/1)	168.32 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	115.14	+1.0	20.35	7.38	7.10	7.07	112.07	113.00	115.66	115.30	90.55	143.45 (6/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
40	OILS (4)	278.47	+5.2	26.45	5.45	4.06	3.79	269.87	264.64	261.16	268.77	168.30	296.47 (4/6)	105.83 (2/1)	431.55 (29/5/69)	87.23 (29/5/62)
51	500 SHARE INDEX	126.74	+1.5	21.41	7.06	6.30	6.16	125.06	125.56	127.77	127.25	97.19	156.14 (6/6)	65.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	111.45	−0.5	—	6.48	—	—	111.75	112.08	115.87	112.79	89.53	148.45 (21/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	129.33	+2.0	25.95	6.14	[illegible]	[illegible]	126.72	126.49	130.01	128.71	107.29	177.11 (5/6)	62.56 (2/1)	288.59 (30/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	135.38	−0.5	—	8.94	—	—	136.05	136.99	137.43	138.09	111.05	169.27 (7/3)	84.15 (6/1)	293.15 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	86.04	+0.8	29.01	10.53	4.55	4.20	85.32	86.51	88.50	88.50	93.75	134.39 (10/3)	42.81 (6/1)	433.72 (4/6/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	96.75	+0.9	—	7.06	—	—	95.93	96.59	[illegible]	96.57	70.79	127.97 (23/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	90.55	−4.8	—	7.29	—	—	95.11	94.97	95.90	95.55	61.69	123.90 (20/5)	44.47 (2/1)	155.75 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	177.03	−1.2	11.49	4.82	12.94	12.94	179.15	181.82	182.91	181.75	120.04	211.50 (20/5)	58.95 (7/1)	262.57 (12/12/73)	65.86 (15/12/74)
39	Merchant Banks (19)	76.90	+1.3	—	7.13	—	—	75.94	76.24	76.11	76.55	75.27	94.97 (7/3)	31.21 (7/1)	278.87 (1/5/72)	31.21 (7/1/75)
40	Property (32)	140.09	+2.3	5.26	4.28	27.06	26.91	136.96	139.47	140.96	139.74	129.25	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	59.74	+1.2	18.94	11.10	7.78	7.70	60.06	59.25	60.77	61.27	66.56	75.76 (23/4)	34.79 (10/1)	303.13 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	139.37	−0.1	3.56	5.05	26.11	28.09	139.57	140.77	142.45	141.76	110.81	178.55 (6/6)	73.43 (6/1)	245.79 (26/4/72)	71.63 (13/12/74)
46	ALL-SHARE INDEX (650)	123.39	+0.9	—	6.81	—	—	122.26	122.73	124.82	124.16	95.69	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	388.74	−0.5	14.60	8.48	9.95	9.88	390.58	393.73	395.96	398.70	320.77	525.43 (25/5)	281.66 (2/1)	555.37 (23/7/73)	84.68 (25/8/65)
45	Teas (10)	101.87	+0.1	35.61	10.25	3.92	3.74	101.78	102.10	101.46	101.29	79.53	104.15 (16/7)	76.76 (10/1)	121.47 (1/6/73)	59.72 (17/10/74)
46	Coppers (3)	376.34	+0.4	52.18	20.07	1.92	1.92	374.94	364.41	372.65	365.00	387.20	467.74 (27/5)	349.52 (22/7)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	122.48	−0.9	10.00	4.32	10.96	10.98	123.55	122.14	122.99	122.24	90.25	141.34 (30/5)	90.66 (22/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	85.68	−0.5	11.90	9.67	10.62	9.29	86.09	87.38	87.99	87.99	69.75	114.49 (3/6)	58.91 (8/1)	135.43 (12/1/73)	54.93 (27/6/71)
49	Overseas Traders (13)	193.44	−2.6	17.95	5.11	7.13	7.12	198.63	199.21	203.42	200.52	—	252.23 (20/5)	97.37 (6/1)	262.28 (30/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Monday, August 11 Index No.	Yield %	Friday August 8	Thurs. August 7	Wed. August 6	Tues. August 5	Monday August 4	Friday August 1	Thurs. July 31	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.28	14.17	14.26	13.96	13.95	13.85	13.85	14.02	15.27	—	—	—	—
2	20-yr. Govt. Stocks (6)	49.37	†13.17	49.63	49.43	50.29	50.60	50.89	50.51	50.06	47.35	55.09 (20/3)	38.27 (3/1)	118.42 (11/6/65)	30.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	47.73	†15.44	47.69	47.69	48.02	47.59	47.98	47.64	47.64	44.26	50.66 (21/3)	37.01 (3/1)	115.43 (28/10/65)	37.01 (3/1/75)
4	*Investment Trusts Prefs.* (15)	45.98	15.04	46.70	46.70	46.67	46.53	46.53	46.85	46.99	41.34	47.30 (29/1)	35.55 (3/1)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	66.58	14.12	67.31	67.47	68.02	67.58	67.70	67.71	68.02	56.68	68.02 (6/8)	48.55 (3/1)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	[illegible]	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	[illegible]	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20	† Redemption yield.		

FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by inland post 19p. [illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
Shell Transport	25p	16	312	+10	343	118
BP	£1	11	498	+15	555	190
ICI	£1	11	246	+5	302	118
Distillers	50p	9	102xd	+1½	150	65½
Ultramar	25p	9	190	+10	212	61
"Bats"	25p	8	272xd	+5½	328	164
Marks & Spencer	25p	8	93	+3	128	47½
Clairmace	10p	7	56	—	80	34
Cons. Gold Fields	25p	7	230	−7	290	188
Courtaulds	25p	7	114	+4	140	53
Dunlop	50p	7	100	−3	[illegible]	[illegible]
Furness Withy	£1	6	225	−4	257	111
Commercial Un.	25p	6	131	−13	184	72
Glaxo	50p	6	335	[illegible]	427	198
Land Secs.	50p	6	141	+6	231	79½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Declara-tions	Settle-ment
Aug. 5	Aug. 15	Oct. 30	Nov. 11
Aug. 18	Sep. 1	Nov. 13	Nov. 25
Sep. 2	Sep. 15	Nov. 27	Dec. 9

"Calls" were done in Charterhall Finance, Consolidated Gold Fields, Premier Oil, Spillers, Dunlop, Tate and Lyle, and Reyrolle Parsons. "Puts" were dealt in Premier Oil, Spillers, Consolidated Gold Fields and Lucas Industries, while "doubles" were arranged in Premier Oil and F. W. Woolworth.

Industrials							
A. P. Cement	[illegible]	Grand Met.	[illegible]	Slater Walker	[illegible]	Mines	
Assoc. Leisure	5	G.K.N.	22	Thorn "A"	17	Broken Hill Pty	75
Barclays Bank	25	Hawker Sidd.	27	Tube Invest.	24	Charter Cons.	22
Beecham	28	House of Fraser	8	Unilever	35	Chart'h'll Fin.	10
Boots Drug	12	Hudson (Wilms)	4	Utd. Drapery	10	Cons Gold	22
Bowaters	16	I.C.I.	21	Vickers	15	De Beers Def.	35
B.A.T.	30	"Imps"	7	Woolworths	6	F. S. Geduld	350
British Leyland	11½	I.C.L.	7			Great Boulder	12
BOC Intl.	5½	Inveresk	7	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	13	Cap. Counties	7	Hampton Prop.	4
Cadburys	6	Lloyds Bank	22	E.P.	11	Kloof	140
Courtaulds	12	"Lofs"	6	Int. Europe	7	Lonrho	15
Debenhams	8	"Mams"	6	Land Securities	22	Loraine	65
Distillers	13	Marks & Sp'ncer	11	Peachey	7	Metals Explor.	8
Dunlop	5½	Midland Bank	25	Town & City	6	Poseidon	55
Eagle Star	13	Nat'l West Bank	22	Town & Comm.	7	Pres. Steyn	275
E.M.I.	17	P & O Dfd.	10			Rio T. Zinc	20
First National	2	Plessey	8	Oils		Welkom	55
G.R.A. Trust	4	R.H.M.	6	Brit. Petroleum	48	West Areas	75
Gen. Accident	15	Rank Org. 'A'	17	Burma Oil	6	Western M'ng	18
Gen. Electric	13	Reed Int'l	23	Shell	30	Zambia Copp.	10
Glaxo	40			Ultramar	21		

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (5)

BEERS (1)
Bulmer (H. P.)
INDUSTRIALS (1)
[illegible]
PROPERTY (1)
Churchbury Est.
OILS (1)
[illegible]
OVERSEAS TRADERS (1)
S.A. Dist. & Wines

NEW LOWS (11)

BRITISH FUNDS (2)
Treas. 10½pc 1979 Treas. 12½pc 1992
CANADIANS (1)
[illegible]
HOTELS (1)
[illegible]
INDUSTRIALS (1)
Crowther (W.)
PAPERS (1)
Mills & Allen
SHIPBUILDERS (1)
Swan Hunter
TRUSTS (1)
New Bridge Hldgs.
MINES (3)
[illegible] Whim Creek

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dominion and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	[illegible]

BASE LENDING RATES

AFI International ...... 10 %
Allied Irish Banks Ltd. 10 %
Anglo-Portuguese Bank 10½%
Henry Ansbacher 10½%
Banco de Bilbao ...... 10 %
Banco de Jerez 10½%
Bank of Cyprus ...... 10 %
Banque du Rhone S.A. 10½%
Barclays Bank ...... 10 %
Barnett Christie Ltd. ... 11 %
Bremar Holdings Ltd. 11 %
Brit. Bank of Mid. East 10 %
■ Brown Shipley 10½%
Cayzer, Bowater Co. Ltd. 10½%
Cedar Holdings ...... 10 %
■ Charterhouse Japhet ... 10½%
C. E. Coates ...... 11 %
Consolidated Credits ... 10 %
Continental Trade Bk. 10 %
Co-operative Bank ...... 10 %
Copleys Bank 11¼%
Corinthian Securities ... 10 %
Credit Lyonnais ...... 10 %
G. R. Dawes ...... 11 %
Duboff Brothers 11¼%
Duncan Lawrie ...... 10 %
English Transcont. ... 11 %
First London Secs. ...... 10 %
■ Antony Gibbs ...... 10 %
Goode Durrant Trust ... 10½%
Greyhound Guaranty ... 10 %
Grindlays Bank ...... 10 %
■ Guinness Mahon ...... 10 %
■ Hambros Bank ...... 10 %
Hawtin & Partners ...... 11 %
■ Hill Samuel ...... 10 %
C. Hoare & Co. ...... 10 %
Julian S. Hodge ...... 11 %
Industrial Bank of Scot. 10 %
Jacobs, Kroll 11½%
Keyser Ullmann ...... 10 %
Knowsley & Co. Ltd. ... 11 %
Lloyds Bank ...... 10 %
London & European ... 11½%
London Mercantile ...... 11 %
Midland Bank ...... 10 %
■ Samuel Montagu ...... 10 %
■ Morgan Grenfell ...... 10 %
National Westminster 10 %
Northern Comm. Trust 10½%
Norwich General Trust 10%
Portman Guaranty ...... 11 %
P. S. Refson & Co. ...... 10 %
Rossminster Acceptc's 10 %
Royal Trust of Canada 10½%
Schlesinger Limited ... 10½%
E. S. Schwab 11½%
Security Trust Co. Ltd. 11½%
Shenley Trust 11½%
Standard & Chartered 10 %
Sterling Credit ...... 11 %
Thames Guaranty ...... 11 %
Trade Development Bk. 10 %
Twentieth Century Bk. 11½%
United Bank of Kuwait 10 %
Wallace Brothers 10½%
Whiteaway Laidlaw ... 10½%
Williams and Glyn's ... 10 %
Yorkshire Bank ...... 10 %
■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7¼% and over £25,000 7½%.
‡ Demand deposit 7½%.

L.G. INDEX
GOLD 161-164

CORAL INDEX
Close 281-286

INSURANCE BASE RATES

† Atlantic Assurance ... 11¼%
Cannon Assurance 8¼%
† Address shown under Insurance and Property Bond Table.

MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 11 per cent. (since July 25, 1975)

Day-to-day credit was in plentiful supply in the London Money market yesterday and the authorities absorbed surplus funds by selling a moderate amount of Treasury bills to the Discount houses. The banks carried over full balances from Friday and the market was also helped by a fall in the note circulation and an excess of Government disbursements over revenue transfers to the Exchequer. On the other hand there was a net market take-up of Treasury bills, commercial bill maturities, and the monthly Special Deposit adjustment against the market's favour.

Discount houses paid between 9½ per cent. and 10 per cent. for secured call loans in the early part, but by the close, rates were in the region of 8 per cent. to 8½ per cent., with some funds available at 7½ per cent.

Short-term fixed period rates in the various sectors were generally easier, with the one-month sterling certificate yield falling to 10½-10⅜ per cent. from 10½-10⅝ per cent., the two-month to 10⅝-10¾ per cent. [illegible] and the three-month to 10⅞-11 per cent. from 10⅞-11⅛ per cent.

Rates in the table below are nominal in some cases.

Aug. 11 1975	Sterling Certificates of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposits	Treasury bills	Bank bills	Fine trade bills
Overnight	—	8-9⅛	—	—	—	9-10½	7½-10	—	—	—
2 days notice	—	—	9⅝-10	—	—	—	—	—	—	—
† 7 days or 7 days notice	—	9⅝-10	10-10⅛	—	—	—	9¾-10	—	—	—
One month	10¼-10⅛	10⅛-10⅝	10⅝-10⅝	11-10½	10½-11	—	10	[illegible]	[illegible]	[illegible]
Two months	10⅝-10⅞	10⅞-10⅝	—	11-10½	10⅝-11⅛	—	10-10¼	[illegible]	[illegible]	[illegible]
Three months	10⅞-10⅝	10⅝-10¾	10½-10¾	11-10½	10¾-11¼	—	10⅛-10½	[illegible]	[illegible]	[illegible]
Six months	11⅛-11	11-11⅛	10¾-11	11¼-10⅞	11-11¾	—	—	[illegible]	[illegible]	[illegible]
Nine months	11⅛-11¼	11⅛-11¼	—	11⅝-11¼	—	—	—	—	—	—
One year	11⅛-11⅛	11⅛-11⅜	11⅝-11⅞	12-11½	—	—	—	—	—	—
Two years	—	11⅞-12⅛	12⅛-12⅜	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice; others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13½ per cent.; four years 13¾ per cent.; five years 14 per cent. [illegible] buying rate for prime paper; buying rates four-month bank bills 11-10⅞ per cent.; and four-month trade bills [illegible]. Approximate selling rates for one-month Treasury bills 10-10⅛ per cent.; two-month 10⅛-10¼ per cent.; three-month [illegible] per cent. Approximate selling rates for one-month bank bills 10⅛-10⅜ per cent.; two-month 10½-10⅝ per cent.; three-month 10⅝-10¾ per cent.; one-month trade bills 10⅞ per cent.; two-month 11 per cent.; and three-month 11⅛ per cent. Finance House Base Rate (published by the Finance Houses Association): 10 per cent. from August 1. Clearing Bank Deposit Rates for small sums at seven days' notice 6½ per cent. Clearing Banks Base Rates for lending 10 per cent. Treasury Bills: Average tender rates of discount 10.6721 per cent.

AUTHORISED UNIT TRUSTS

Abacus Arbuthnot Ltd. (a)(g)

Brown Shipley & Co. Ltd.

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Legal & General Tyndall Fund

Mutual Unit Trust Managers

Prudl. Unit Tst. Mngrs.

Schag Unit Tst. Managers Ltd.

Target Tst. Mgrs. (Scotland)

Abbey Unit Tst. Mgrs. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Gowett (John)

Leonine Administration Ltd.

National Provident Inv. Mngrs. Ltd.

Quilter Management Co. Ltd.

Security Selection

Trades Union Unit Tst. Managers

Allied Hambro Group

Capel (James) Mngt. Ltd.

Guardian Royal Ex. Unit Mngrs. Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Reliance Unit Mgrs. Ltd.

Slater Walker Tst. Mgmt.

Transatlantic and Gen. Secs. Co.

Carliol Unit Fd. Mgrs. Ltd.

Henderson Administration

National Westminster

Remigium Management Ltd.

Charterhouse Japhet

Lloyd's Life Unit Tst. Mngrs. Ltd.

Rthcld. & Lwnds. Mgrs. Ltd.

London Wall

Rowe & Pitman Management Ltd.

Confederation Funds Mgt. Ltd.

NEL Trust Managers Ltd.

Royal Tst. Can. Fd. Mgrs. Ltd.

Cosmopolitan Fund Managers

Hill Samuel Unit Tst. Mgrs.

ManuLife Management Ltd.

New Court Fund Managers Ltd.

Save & Prosper Group

Archway Unit Tst. Mgs. Ltd.

Coyne Investment Mgmt. Ltd.

Intel.

Mercury Fund Managers Ltd.

Norwich Union Insurance Group

Trident Trusts

Barclays Unicorn Ltd.

The Crescent Group

Key Fund Managers Ltd.

Ebor Securities Limited

Schlesinger Tst. Mgrs. Ltd.

Discretionary Unit Fund Managers

Ionian Unit Tst. Mngmt. Ltd.

Minster Fund Managers Ltd.

Oceanic Managers

Tyndall Managers Ltd.

Drayton Unit Tst. Managers Ltd.

Jascot Securities Ltd.

Morgan Grenfell Funds

Pearl Montagu T. Mgrs. Ltd.

Equities Secs. Ltd.

M & G Group

Pelican Units Admin. Ltd.

Scotbits Securities Ltd.

Stewart Unit Tst. Managers Ltd.

Baring Brothers & Co. Ltd.

Equity & Law Un. Tr. M.

Perpetual Unit Trust Mngmt.

TSB Unit Tst. Managers Ltd.

Bishopsgate Progressive Mgmt. Co.

Framlington Unit Mgt. Ltd.

Kleinwort Benson Unit Managers

Piccadilly Unit T. Mgrs. Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Sun Alliance Fund Mngt. Ltd.

Brandts Ltd.

Friends' Provdt. Unit Tr. Mgrs.

L & C Unit Trust Management Ltd.

Portfolio Fund Managers Ltd.

Ulster Bank

Bridge Talisman Fd. Mgrs.

G.T. Unit Managers Ltd.

Lawson Securities Ltd.

Practical Invest. Co. Ltd.

Target Tst. Mngrs. Ltd.

Unit Trust Account & Mgmt. Ltd.

G. & A. Un. Tst. Mgrs. Ltd.

Provincial Life Inv. Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Wieler Growth Fund

The British Life Office Ltd.

Gartmore Fund Managers

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd.

The City of Westminster Assur. Soc.

Hambro Life Assurance Limited

Life & Equity Assurance

Norwich Union Insurance Group

Slater Walker Insurance Co. Ltd.

Sun Life of Canada (U.K.) Ltd.

The City of W'minster Ass. Co. Ltd.

Life Assur. Co. of Pennsylvania

Oakilfe Assurance Ltd.

Phoenix Assurance Co. Ltd.

Target Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

Second Managed Fund

Harvest Assurance Group

Hearts of Oak Benefit Society

Lloyds Life Assurance

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Commercial Union Group

Hill Samuel Life Assur. Ltd.

Transinternational Life Ins. Co. Ltd.

Confederation Life Insurance Co.

Imperial Life Ass. Co. of Canada

M & G Group

Trident Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

The Individual Life Ins. Co. Ltd.

Atlantic Assurance Co.
See under Property Growth Ass.

Barclays Life Assur. Co. Ltd.

Cornhill Insurance Co. Ltd.

Magna Assurance Company Ltd.

Prudential Pensions Limited

Brandts Ltd.

Crescent Life Ass. Co. Ltd.

Investment Annuity Life Assur.

Mnfrs. Life Insur. Co. (U.K.) Ltd.

Reliance Mutual

Tyndall Group

Canada Life Assurance Co.

Crusader Insurance Co. Ltd.

Merchant Investors Assurance

Royal Insurance Group

Vanbrugh Life Assurance

Cannon Assurance Ltd.

Eagle Star Insur/Midland Ass.

Irish Life Assurance Co. Ltd.

Save & Prosper Group

General Portfolio Life Ins. C. Ltd.

NEL Pensions Ltd.

Saveguard Assurance Limited

Welfare Insurance Co. Ltd.

King & Shaxson Ltd.

Schroder Life Group

Capital Life Assurance

Growth & Sec. Life Ass. Soc. Ltd.

New Zealand Ins. Co. (U.K.) Ltd.

Windsor Life Assur. Co. Ltd.

Charter. Japhet Life Ass. Co. Ltd.

Guardian Royal Exchange.

Langham Life Assurance Co. Ltd.

NPI Pensions Management Ltd.

Scot. Widows' Fnd. & Life Ass. Soc.

OFFSHORE AND OVERSEAS FUNDS

Albany Management Co. Ltd.

Charterhouse Japhet

Free World Fund Ltd.

Keyselex Mngt. Jersey Ltd.

Samuel Montagu Ldn. Agts.

Target Trust Mgrs. (Cayman) Ltd.

Australian Selection Fund N.V.

G.T. Bermuda Ltd.

Tokyo Pacific Holdings N.V.

Cornhill Ins. (Guernsey) Ltd.

King & Shaxson Mgrs. (Jersey) Ltd.

Murray, Johnstone (Inv. Adviser)

Tokyo Pacific Hldgs. (Seaboard) N.V.

Banque Bruxelles Lambert

Darling Management Ltd.

Hill Samuel & Co. (Guernsey) Ltd.

Kleinwort Benson Ldn. Agts.

Negit S.A.

Triumph Oceanic Int. Fnd. Mgrs.

Bk. of London & S. America Ltd.

Delta Group

Hill Samuel Overseas Fund S.A.

Negit Ltd.

Tyndall Group

Barclays Unicorn Int. (Ch. Is.) Ltd.

Dreyfus Intercontinental Inv. Fd.

International Pacific Inv. Mngt. Ltd.

Old Court Fund Mngrs. Ltd.

United States Tst. Intl. Adv. Co.

Barclays Unicorn Int. (I. O. Man) Ltd.

Ebor Management (Jersey)

Japan & Far Eastern Secs. Man.

Lamont Investment Mngt. Ltd.

Save & Prosper International Ltd.

S. G. Warburg & Co. Ltd.

Bridge Management Ltd.

Eurosyndicat Group

Jardine Fleming & Co. Ltd.

Lloyds Bk. (C.I.) U/T Mgrs.

J. Henry Schroder Wagg & Co. Ltd.

World Wide Growth Management

Butterfield Management Co. Ltd.

F. & C. Mgmt. Ltd. Inv. Advisers

Lloyds Bk. International Ltd.

Singer & Friedlander Ldn. Agents

Capital International S.A.

Fidelity Mgmt. & Res. (Bda.) Ltd.

Jersey Intl. Fund Management Ltd.

M & G Group

Slater Walker Int. Co. (C.I.) Ltd.

Jersey Sygs. Bk. Unit Tst. Mgrs. Ltd.

Slater Walker (Jersey)

F.I.R.S.T. Managers Ltd.

Kemp-Gee Management Jersey Ltd.

Manx Int. Mngt. Ltd.

NOTES

Prices do not include $ premium, except where indicated, and are in pence unless otherwise indicated. Yields allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. k Periodic premium insurance plans. s Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	1975 Low	Stock	£	+ or –	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
99⅞	94⅞	Exch 6½pc 1976‡‡	96⅞xd	....	6 62	10 01
97¾	92⅞	Treasury 6½pc 1976‡‡	96⅝xd	....	6 72	10.08
99	97	Victory 4pc 1976‡‡	95xd	..	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	99⅝	..	10 56	10 95
95	80⅞	Treasury 6¼pc 1977‡‡	94⅞xd	....	6 60	10.00
94⅛	86¼	Electric 3pc 74-77	92¼xd	+¼	3.25	8 23
103⅞	96⅞	Treasury 11½pc '77‡‡	99⅞	–⅛	11.51	11.49
88⅞	84	Treasury 3pc '77‡‡	87⅞	+⅛	3.41	9 01
90⅛	84⅛	Transport 4pc '72-77	88⅞	–⅛	4.52	9.52
96⅞	90½	Treasury 9pc 1978‡‡	93⅞xd	–⅛	9 62	11.99
100⅞	96⅞	Treasury 10½pc '78‡‡	96⅛	–⅛	10.89	11.96
87⅞	79	Exchequer 5pc '76-78‡‡	85⅝	+¼	5 84	10 50
103	94⅞	Treasury 11½pc '79‡‡	98⅜xd		11.69	12.10
79⅝	71⅜	Treasury 3pc '79‡‡	78⅛xd	+⅛	3 84	9 61
81	73⅞	Electric 4¼pc '74-79	79⅝	+¼	5 35	10.44
100⅞	94⅞	Treasury 10½pc '79‡‡	94⅞	–¼	11.11	12.02
79⅝	71	Electric 3½pc '76-79	78½	+⅛	4.46	9.77
95	84	Treasury 9pc 1980‡‡	90⅛xd	–⅛	9.99	11.90
96⅞	91	Treasury 9½pc '80‡‡●	91	..	10.44	12 03
79	68¼	Treasury 3½pc '77-80	75⅝	..	4.63	9.95
84½	71	Funding 5¼pc '78-80‡‡	80¾	+⅛	6.50	10.40
		Five to Fifteen Years				
75½	66⅛	Treasury 3½pc '79-81	73⅜	–⅛	4.77	9 87
91⅛	72⅞	Do 8½pc '80-82‡‡	84¼	–⅛	10.10	12.11
104⅜	86⅝	Treasury 12pc 1980‡‡	96xd	–⅛	12.35	12.61
78	58	Funding 5½pc '82-84‡‡	73⅛	–⅛	7.56	10.44
85¼	61⅞	Treasury 8½pc '84-86‡‡	80½	–⅛	10.66	11.84
73¼	51⅞	Funding 6½pc '85-87‡‡	69⅞	–⅛	9.57	11.55
76¼	53	Treasury 7¾pc '85-88‡‡	71⅜	–⅛	10.91	12.36
47¼	32⅞	Transport 3pc '78-88	45	–¼	6 72	11.22
56⅞	39¾	Treasury 5pc '86-89	54½	–¼	9.46	11 98
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90‡‡	69⅜	–¼	12.05	13 12
57⅛	41⅜	Funding 5¾pc '87-91‡‡	55⅛	–⅛	10.83	12.72
94½	94½	Treasury 12¾pc '92‡‡●	94⅛	–¼	13 57	13.68
97½	85⅞	Treasury 12½pc '93‡‡	90¼	–¼	14 00	14.15
55⅛	40½	Funding 6pc 1993‡‡	50⅞xd	–¼	11.84	13.25
75¼	54⅝	Treasury 9pc '94‡‡	69⅞	–¼	13.44	13.96
34⅞	24⅞	Gas 3pc '90-95	33⅛	–¼	9.29	12.07

Undated

**INTERNATIONAL BANK

*CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

AMERICANS

S.E. List Premium 77⅞% (based on $2.1800 per £)

CANADIANS

S.E. List Premium 77⅞% (based on $2.1800 per £)

Conversion factor 0.6325 (0.6428)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, Etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
112	56	Botswana RST P2	66	−1	—	—	—
390	196	Messina R0.50	350	+5	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
8½	3	Burma Mine 17½p	8		m0.5	—	1.7
65	17	Charterhall 5p	57½	+4	—	—	—
115	75	Colby Mines $1	75#	...	—	—	—
760	360	Cons. Murch. 10c	685		‡Q130c	2.2	‡
53½	29½	Lourenzo	42½	+1½	—	—	—
19	11	NRD $1	13	+1	—	—	—
375	200	Northgate C$1	280	+10	Q55c	1.0	10.0
211	80	R.T.Z.	172	...	4.97	4.4	4.5
135	47½	Sabina Inds C$1	75	−3	—	—	—
81	51	Stanford Mines !	63		—	—	—
£12½	875	Tara Exprn. $1	£10⅞	+⅛	—	—	—
78	38	Yukon Cons C$1	66	−1	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Based on 1973 profit.
- ‖ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ◇ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: ᵈ ex dividend; ˢ ex scrip issue; ʳ ex rights; ᵃ ex all; ᶜ ex capital distribution.

"Recent Issues" and "Rights" Page 14

FINANCIAL TIMES

Tuesday August 12 1975

NVT workers plan new-type co-operative

BY CHRISTIAN TYLER IN WOLVERHAMPTON

A NEW RESCUE bid for the Wolverhampton motor-cycle factory of Norton Villiers Triumph which is facing liquidation was launched yesterday when the 1,600 workers returned from two weeks' holiday.

Labour councillors and NVT shop stewards laid plans for a "community co-operative" in which local authorities might buy the factory from the Official Receiver with the support of local businessmen and other interests, including, perhaps, some of NVT's 60 suppliers.

But the sit-in threatened by the Wolverhampton workers in protest at the liquidation moves did not take place. Groups of men and women gathered in the sunshine—still apparently in holiday mood—while their negotiators bargained. Earlier, a mass meeting passed an overwhelming vote of determination to keep the plant running.

The co-operative idea would entail local authorities subscribing some, or all, of the £3m. which is the estimated value of the assets now in the charge of the Official Receiver's special manager.

Legal advice

If successful, the Wolverhampton plan would be an unusual variant of the co-operative principle already in operation at *NVT's former Meriden factory* near Coventry, where workers are producing motor-cycles for sale by NVT. This would leave NVT's motor-cycle manufacturing based solely on the former BSA works at Small Heath, Birmingham.

Mr. Dennis Turner, a Wolverhampton Labour councillor, said the cost of the operation had to be set against the social cost of rent and rate rebates for those thrown out of work in the town.

The plan emerged after a meeting last night at which councillors said they would be sounding out neighbouring councils and local financial interests. Shop stewards and union officials said they would be taking legal advice before their discussions with the Official Receiver.

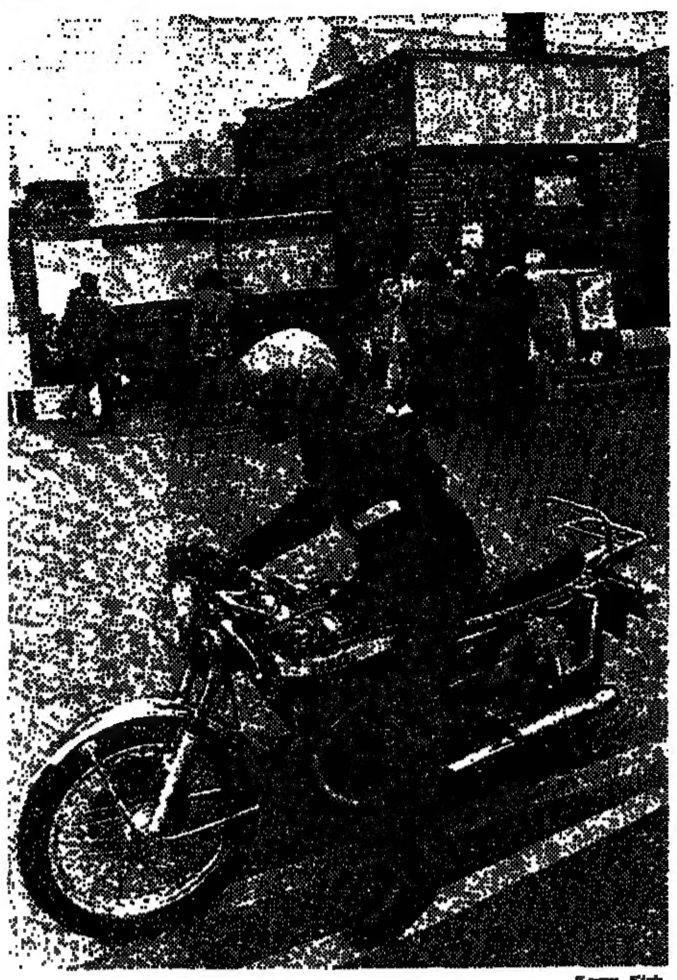
Workers at the Wolverhampton factory took peaceful control, allowing the special manager, Mr. Kenneth Morgan, to carry out his duties unimpeded. *He gave the workforce* a form of reprieve by agreeing that they could be laid off temporarily, so enabling them to collect unemployment benefit. The Department of Employment is setting up a special office in the factory to handle payments.

Most workers have joined a rota for a day-and-night picket of the factory, and a number will be carrying out essential maintenance and security work. Production of Norton Commando motor-cycles has not resumed.

The stewards say this holding operation could last several weeks.

Reports of up to £3m. worth of new overseas orders were still circulating yesterday. According to one steward at least 200 motor-cycles had been ordered by the Nigerian Army. Other orders were said to have come from Saudi Arabia, Kenya, Morocco and Trinidad, for the "Interpol" police version of the Norton.

No further talks with the Government have been planned.


Terry Kirk
A worker arrives at NVT's Wolverhampton factory yesterday —on his Japanese Yamaha.

Ulster truce future now in doubt

BY GILES MERRITT

THE FUTURE of the seven-month-old Northern Ireland ceasefire was thrown into doubt last night by a surprise statement from the Provisional IRA admitting it had taken part in Belfast's week-end rioting — the worst in the province for two years.

The statement, which made no mention of the ceasefire, supported its members involved in the three-way gun battle in West Belfast yesterday between Catholics, Protestants and the Army, which resulted in the death of a baby girl and a teenage boy. *It also alleges collusion between* the Royal Ulster Constabulary and the extremist Protestant Ulster Volunteer Force paramilitary organisation.

Yesterday afternoon, amid continuing tension in the city, a bank raid brought fresh violence in the Shankill Road.

Angry crowds intervened in the heavily Protestant area, after RUC police officers had fired warning shots pursuing an armed bank robber who, with two others had attempted to hold-up at a nearby branch of the Northern Bank.

Chase

Pinning down the five RUC men, who had already arrested two of the raiders on the bank's premises, with a barrage of brick and bottles, the crowd also erected barricades at the corner of the Shankill Road and Agnes Street. At the height of the incident, a total of 40 to 50 people were involved and a bus was set on fire.

Army patrols soon moved into *the area to release the RUC* squad from the bank.

RUC officers had given chase to the third man involved in the raid and fired two warning shots after he drew a .45 revolver. He threw away the gun and took shelter in a house.

On the political front, there have been reliable reports that the pre-Convention talks between the Loyalist UUUC coalition and the Catholic SDLP are dangerously close to deadlock, and that the August 29 deadline set for the new session of the 78-member assembly will have to be postponed.

Aimed at working out an acceptable agenda for discussion by the Convention, Friday's four-hour session was followed by a joint communique saying that the talks had been "positive."

It is understood that the UUUC's three-man team, headed by Vanguard Party leader Mr. William Craig, unveiled proposals for *setting* up powerful and autonomous municipal authorities. Many of these, which would be responsible for industrial development, education and housing, would be controlled by Catholics, and largely independent of Stormont.

The clear Loyalist intention was to by-pass further discussion of power-sharing, but it seems that hard-line Republican pressure on the SDLP for rejection of the plan and insistence on the familiar demands for power-sharing at an executive level, with some reference to the so-called Irish dimension in a new constitution, has the talks once again headed for an *impasse*.

The SDLP and UUUC are, however, due to meet again towards the end of this week, and some observers believe that hope remains until the talking stops.

The more immediate concern is lest Ulster's worst week-end of violence for two years, triggered by the scores of anti-interment rallies organised by Provisional Sinn Fein and the Republican clubs to mark the fourth anniversary of detention, could lead to sectarian violence eclipsing all political developments.

The Unionist Party issued a warning to that effect yesterday, and the Army is concerned by the effects of the "long, hot summer," particularly on the restless youth of both communities.

The deteriorating situation was considered at yesterday's weekly security review. Mr. Stanley Orme, Minister of State for Northern Ireland, acting in the absence of Mr. Merlyn Rees, who is on holiday for a week, *met the Army GOC, Lieut.-*General Sir David House and Sir James Flanagan, RUC Chief Constable.

Editorial comment Page 12

THE LEX COLUMN

Composites after the CU poser

Commercial Union's second quarter underwriting loss is a massive £18.8m., taking the deficit so far this year to £25.3m., against £2.7m. Although no one had been expecting a recovery in the composites' underwriting *results until the second half of* this year, the extent of the further decline at CU is much worse than had been feared—and the shares fell by 13p to 131p, with the sector index 4.8 per cent. lower on the day.

CU blames in particular the U.S., where losses so far in 1975 are $40m., against $14m.; the statutory operating ratio of 108.9 is *a full 7.5 points higher* than a year ago, and greater than the average for the major U.S. stock-agency companies. The chief difficulty has been in the motor account, about a third of U.S. business, where premium increases have again been very sticky—and no immediate respite is apparently in sight.

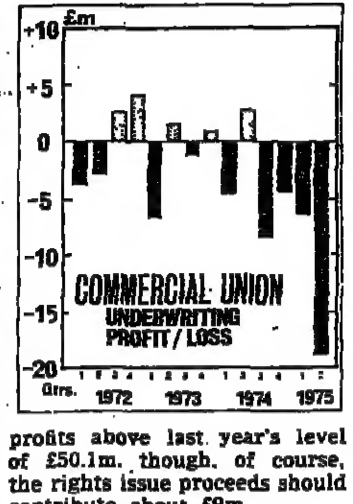
Australia continues to surpass previous horrors—losing £10m. so far, the same as in the whole of 1974. Elsewhere, South Africa is down, but the U.K. and Western Europe are roughly unchanged. The result is that despite a £14m. rise in investment income first half pre-tax profits are £10.2m. lower at £14.4m.

The statement also highlights how CU's decision to stay very liquid has held down its solvency margin. Net worth has risen by £56m. to £278m. on end-1974 investments of £1.16bn., and projecting the half-year premium rise for a full year, this indicates a solvency margin of 30.5, just 1.5 points higher than in January. *CU may simply be regarded as* over-cautious, rather than missing the boat—though, of course, many of its equity sales were at low share prices last year.

The poser for the rest of the sector is how far the CU results may just be the reflection of over-optimism earlier in the year, and how far they indicate a general delay of, say, *six months until the first half of* next year in the sector's underwriting recovery. Anyway, General Accident and Royal, both of which have a large U.S. motor involvement, fell sharply yesterday. CU itself was being studiously imprecise about second-half underwriting prospects, especially in the U.S., though "drastic" and "*substantial" action of some kind* is promised soon in Australia, where workmen's compensation may be nationalised. In view of the steady rise in investment income, it would require a further serious underwriting deterioration to prevent a small rise at least in pre-tax profits above last year's level of £50.1m., though, of course, the rights issue proceeds should contribute about £9m.

See also Page 15

Index rose 4.5 to 283.3



Redland

In its report Redland remains relatively optimistic about recovery, but a little cautious on timing. Braas in Germany, for instance, may not see the upturn before the end of 1975 and though adjustment to lower volume in the U.K. should allow some improvement here, pre-tax profits at home were only 26 per cent. of the total in 1974-75 (but nearly 40 per cent. at the attributable level). As for the balance sheet, cutbacks in capital spending allowed Redland to keep overall financing requirement down to £3.7m. last year; working capital requirements are still causing it to *draw on credit facilities, how*ever, and the rights issue will allow it to keep some expansion projects on the move. At 69p the shares yield 7.6 per cent. on the forecast payout.

See also Page 16

Takeover Panel

Ashbourne Investments has been vexing the Takeover Panel since it first became a bid situation a full 20 months ago, and it is still going strong. Last week the Panel said that it had received "express undertakings" from all the members of the Crest consortium that they would comply with last *summer's ruling* about how they should vote their shares in Ashbourne. The trouble is that the consortium appears to have a different interpretation of the rulings and it is not at present intending to drop its call for an Ashbourne EGM where, inter alia, shareholders would be invited to boot out most of the directors, and to instruct the *Board to go hunting for a bid.*

Although the rulings did not specify the number of non-consortium directors of Ashbourne, they were clearly intended to reduce the consortium's strength on the Board, and they did require the appointment of a shareholders' representative—who would be dismissed under the EGM *resolution. Moreover,* a later statement said that the reconstituted Board should be allowed to exercise normal powers without special constraints from its shareholders. So if the meeting does seem *likely* to go ahead, the Panel will presumably come out with its sledgehammer held aloft.

But the Panel still has to *break the deadlock. The sooner* it comes up with its proposals for a final solution the better: the target date now seems to be sometime in the early autumn.

British Leyland

"We recommend that the Corporation should be reconstructed in such a way that its Ordinary shares stand at a reasonable premium over their par value." Thus the Ryder report on British Leyland, and on its advice 10 shares each with a par value of 25p (and a price of 8p before the news) were swapped for one new share with a 50p par value.

But once the Government's cash offer had closed, the shares had nowhere to go but down. Faced with the heavy present losses and with no prospect of any dividend payments for years *to come, the new shares ended* their first day's dealing yesterday at just 27½p which, for the record, capitalises the company at about £16m. At least this absolutely puts paid to any lingering uncertainties about what to do when the rights issue—10 for 3 at 100p—materialises. The taxpayer is heading for an ultimate stake of well over 90 per cent.

Fall in industrial output and retail sales

BY ANTHONY HARRIS

FURTHER EVIDENCE of the deepening recession in the U.K. is contained in the figures for industrial production and retail and credit sales in June, published yesterday. The details of production suggest that events up to mid-year were still dominated by de-stocking in industry, with the heaviest falls recorded *in chemicals, steel and other* materials bought by industry. The retail figures—the final estimate for the volume of sales in June—now suggest a further sharp drop in final sales, which will now be affecting manufacturing orders.

Industrial output in June is estimated to have dropped by half a percentage point since May—mainly on account of reduced demand for gas and electricity; the index, as a matter of historic interest, fell back to exactly 100, its base figure, and the average for 1970. On the more significant quarterly comparisons, output has fallen by 3½ per cent. *between the first* and second quarters of the year and by some 7½ per cent. since the third quarter of 1974—its peak in that year, after the effects of the three-day week were fully worked off.

By far the sharpest decline has been in the steel industry, the victim of a well-publicised recession, down 16.8 per cent. between the first two quarters of this year.

The official market sector analysis shows that output of investment goods has held up relatively well—down 1½ per cent. this year, and 3½ per cent. since the 1974 peak. The output of consumer goods has fallen 3.3 per cent. this year, and about 7 per cent. from its peak.

Up to now, the fall in output has been much sharper than the fall in final sales; this, and the pattern of the cuts, shows that destocking has been a major influence. The June retail figures, however, although they show some recovery from the very low May level, remain very low by earlier standards. The series as a whole, and the quarterly comparisons, are still distorted by the extremely sharp "Healey boom" in April, *before* the introduction of the 25 per cent VAT rate; but the details are suggestive.

The June volume of all retail sales was some 7 per cent. lower than in the first quarter of the year. Eliminating durable goods, the fall seems to have been about 5 per cent. The squeeze on real incomes implied by the present £6 pay limit makes a further fall in purchases more or less inevitable. The latest credit sales figures, showing little change in cash terms over the last year, and therefore a fall of some 25 per cent. in real terms, confirm this depressed outlook.

INDUSTRIAL PRODUCTION
Production 1970 = 100*

		All Ind.	Mnfg.
1974	1st	103.7	106.0
	2nd	108.0	109.6
	3rd	108.7	110.3
	4th	105.3	106.1
1975	1st	104.5	105.5
	2nd	100.8	101.2
	April	101.9	102.5
	May	100.5	100.6
	June	100.0	100.6

* Seasonally adjusted

RETAIL SALES AND NEW INSTALMENT CREDIT

		Retail sales Volume* 1971=100	New Instalment Credit* £m.
1972		105.8	2,497
1973		110.7	2,871
1974		109.9	
1974	1st	109.8	576
	2nd	107.3	612
	3rd	111.0	648
	4th	111.6	679
1975	1st	111.5	723
	2nd	*108.7*	756
	Apr.	120.2	271
	May	102.5	247
	June	104.5	238

* Seasonally adjusted.
Source: Department of Industry

John Barber refuses to resign from BL

BY TERRY DODSWORTH

MR. JOHN BARBER, who was told last April that there "would not be a place" for him in the new Government-controlled British Leyland, is determined to force the company to dismiss him.

"Why should I resign?" said Mr. Barber yesterday. "I am deputy chairman and managing director of a big company. I like the motor industry and I had only been in this job for eight months when Ryder appeared."

According to evidence which Mr. Barber gave to the Commons sub-committee inquiry into the motor industry, it was Lord (then Sir Don) Ryder, the *Government's Industrial Adviser, who* told him that he would have to go under the new organisation.

But Mr. Barber has clearly been determined not to fade quietly away. Although his public statements have been rare since April, he delivered a trenchant criticism of the Ryder proposals for the reorganisation of British Leyland to the Commons inquiry last May.

The financial holding company structure opted for in the report was one which no major automotive company used, he said.

The Ryder report, on its part, had singled out the manananging director for special criticism, saying that he had "too many people reporting to him," and that the "creation of a large corporate staff has undermined the authority and responsibility of line management."

Since the High Court has ratified the reconstruction of the *company, the position is that the* directors of the former British Leyland Motor Corporation—Mr. Barber among them—are on the Board of a subsidiary company to the new British Leyland Ltd.

The directors who are staying with the group, however, have gone on to the Board of the new company. Thus the final steps of the reconstruction — expected later this week—must include the formal dismissal of BLM directors who are not staying.

Mr. Barber said last night that the question of compensation for his loss of office had not yet been discussed. His agreement, at a minimum salary of £42,000 *a year, still has nine years to run.*

Texaco oil find off Shetlands promises high gas reserves

BY ADRIAN HAMILTON

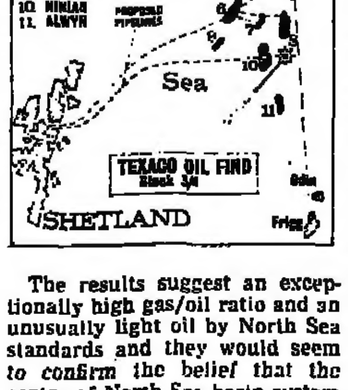
ANOTHER OIL and gas discovery has been made in the East Shetlands area of the U.K. North Sea.

Texaco yesterday stated that it had tested oil and gas from a *structure that runs across* the boundary between its block 3/4, South of Brent, and the adjoining block to the South, 3/9, which is held by Total.

It has also completed a further unsuccessful well on its once highly-regarded 15/16 oil discovery West of the Piper Field in the Moray Firth area.

Texaco's latest discovery is a particularly interesting one, if potentially problematic, because of the high ratio of gas to oil.

According to the statement, hydrocarbons were tested from two intervals in the "Statfjord," or *Liassic sands, at a combined* flow rate of 5,534 barrels of 46 degree gravity oil together with an average gas/oil ratio of 10,390 cu. ft. per barrel. Oil and gas were also tested from the Middle Jurassic, or Brent, *sands, but* in relatively small quantities, the announcement added.



The results suggest an exceptionally high gas/oil ratio and an unusually light oil by North Sea standards and they would seem *to confirm* the belief that the centre of North Sea basin system to the North could contain substantial additional gas reserves, particularly in the deeper Jurassic sands.

For Texaco, on the other hand, it could well present considerable problems in evaluating the find and producing it.

Although the structure is thought to be large with a substantial oil and gas column, such a high ratio of gas is not easy to produce technically. Nor will it be easy to market, considering the distance from the mainland—although the find is close to the planned Brent gas line to St. Fergus on the mainland.

While evaluating the results, *Texaco has moved the rig to drill* a delineation well two miles to the north-west.

The latest find is some six miles from its previous discovery on a smaller structure in the *same block and was drilled as* part of a co-operative programme of exploration with the Total group, which shares around half the structure tested in this case.

Texaco's other well, on block *15/16, is more disappointing and* follows a series of disappointments for the company in its efforts to evaluate its discoveries in the area. The rig has now been moved to drill another appraisal well *on* the neighbouring block, 14/20, where the company has also struck oil.

Pound picks up after fall against dollar

BY MICHAEL BLANDEN

THE POUND again dropped to record low levels against the dollar yesterday, but later recovered in fairly calm foreign exchange markets.

At one stage, sterling was nearly a cent down from Friday's closing level at around $2.0950, and it was reported that the Bank of England had stepped in with some support *during the morning. Later,* however, the market saw some strong commercial demand for the pound, which, it was suggested, enabled the Bank to reverse its earlier activities and buy dollars.

The pound ended the day with a fall of only 20 points from Friday's level at $2.1025. Its average depreciation against other currencies from December 1971 levels actually narrowed slightly to 27.8 per cent. against 27.9 per cent. on Friday and 28 per cent. at noon yesterday.

Following last week's sharp falls, the movements of the sterling rate continue to be mainly influenced by the strength of the dollar, which has been helped by rising U.S. interest rates. The dollar's average depreciation was again reduced yesterday to 2.33 per cent. compared with 2.49 per cent. on Friday.

Yesterday, a number of other leading U.S. banks followed First National City Bank's *move on Friday in lifting their* prime rates from 7½ to 7¾ per cent., including Chase Manhattan, Manufacturers Hanover, Chemical Bank and First National Bank of Chicago. At *the same time, it was* announced that South Africa had raised its bank rate from 8 to 8½ per cent. and tightened controls on the banks.

There were renewed suggestions in London markets that the Bank might decide to call further special deposits from the banks. This would mop up surplus liquidity and reinforce the rise in U.K. interest rates started with the jump in the Bank's minimum lending rate to 11 per cent. and followed last week by the rise in clearing bank base rates from 9½ to 10 per cent.

Against this, however, the authorities still appear concerned to encourage new lending by the banks for investment and might be unwilling to push domestic loan rates up further unless the dollar's strength forced their hands.

Weather

U.K. TO-DAY

DRY, sunny periods. Late showers possible in S.E.

London, S.E. and Cent. S. England, E. Anglia, Midlands

Sunny periods, showers possible later. *Wind variable or W.,* light. Max 26C (79F).

Channel Is., S.W. England

Sunny spells, scattered showers. Wind variable or S., light. Max. 20-23C (68-73F).

E. and N.E. England, Borders, Edinburgh, Dundee, Aberdeen,

Dry, sunny periods. Fog at first. Wind variable or N.E., light. Max 27-30C (81-86F).

W. Midlands, Wales, N.W. and Cent. N. England

Sunny periods. Early mist or fog. Wind variable or S., light. Max. 23-26C (73-79F).

Outlook: Mainly dry, sunny spells.

Lighting-up: London 21.01, *Manchester 21.16, Glasgow 21.32.*

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexndria.	F	31	88	Luxembg.	C	20	68
Amstrdm.	S	24	75	Madrid	S	29	84
Athens	S	33	91	Manchstr.	S	23	73
Bahrain	S	36	97	Melbourne	R	9	48
Barcelona	S	28	82	Milan	S	26	79
Beirut	F	29	84	Montreal	C	25	77
Belfast	C	19	66	Moscow	C	11	52
Belgrade	S	29	84	Munich	F	21	70
Berlin	S	31	88	Newcastle	S	23	73
Birmgham.	C	23	73	New York	S	27	81
Bristol	F	21	70	Oslo	S	27	81
Brussels	C	20	68	Paris	S	23	73
Budapest	S	29	84	Perth	S	15	59
B. Aires	R	11	52	Prague	S	30	86
Cairo	S	32	90	Reykjavik	C	13	55
Cardiff	S	21	70	Rio de J'o	S	27	81
Cologne	R	18	64	Rome	S	29	84
Copnhagn.	S	30	86	Singapore	S	30	86
Dublin	S	20	68	Stockholm.	C	29	84
Edinb'gh.	S	20	68	Strasb'rg.	C	18	64
Frankfurt	C	18	64	Sydney	S	18	64
Geneva	C	15	59	Tehran	S	37	99
Glasgow	S	24	75	Tel Aviv	S	28	82
Helsinki	C	13	55	Tokyo	S	29	84
H. Kong	S	30	86	Toronto	C	22	72
Jo'burg	S	21	70	Vienna	S	28	82
Lisbon	S	27	81	Zurich	C	19	66
London	S	22	72				

HOLIDAY RESORTS

		°C	°F			°C	°F
Ajaccio	S	28	82	Jersey	C	19	66
Algiers	S	31	88	Las Plms.	S	27	81
Biarritz	S	24	75	Locarno	F	23	73
Blackpool	S	19	66	Luxor	S	35	95
Bordeaux	F	24	75	Majorca	S	31	88
Boulogne	S	18	64	Malaga	S	30	86
Casablnca.	F	26	79	Malta	S	29	84
Cape Town	S	20	68	Nairobi	C	17	63
Corfu	S	31	88	Naples	S	30	86
Dubrovnik	S	27	81	Nice	T	23	73
Faro	S	28	82	Nicosia	S	28	82
Florence	F	31	88	Oporto	S	20	68
Funchal	F	25	77	Rhodes	S	29	84
Gibraltar	S	24	75	Salzburg	F	24	75
Guernsey	C	19	66	Tangier	S	28	82
Innsbruck	C	20	68	Tenerife	S	36	97
Inverness	C	17	63	Tunis	S	33	91
I. of Man	S	21	70	Valencia	S	29	84
Istanbul	F	28	82	Venice	S	29	84

S—Sunny. F—Fair. C—Cloudy. R—Rain. T—Thunderstorm.

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هكذا من الاصل